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## **Southeast Asia Report**



**FOREIGN BROADCAST INFORMATION SERVICE**

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31 OCTOBER 1986

## SOUTHEAST ASIA REPORT

## CONTENTS

## AUSTRALIA

Moratorium on Nuclear Warships Called by MP (Melbourne Overseas Service, 27 Sep 86) .....	1
Vallentine, Others Protest Allied Ship Call (Melbourne Overseas Service, 29 Sep 86) .....	2
<b>Briefs</b>	
Hayden Backs Independence	3
Tuna Fishing Agreement	3
Fishing Agreement With Taiwan	3

## INDONESIA

Execution of Nine PKI Members Confirmed, Australian Reaction (THE JAKARTA POST, 9 Oct 86; Melbourne Overseas Service, 10 Oct 86) .....	4
'No Alternative', by Suryo Winoto	4
Australian Concern	5
UK Minister Says Investments To Continue (ANTARA NEWS BULLETIN, 18 Sep 86) .....	7
Japanese Investments in Small, Medium Industries (ANTARA NEWS BULLETIN, 8 Oct 86) .....	8
Japan Providing Rupiah Funds To Maintain Exports (ANTARA NEWS BULLETIN, 12 Sep 86) .....	9
Devaluation Not To Delay Foreign Debt Repayment (ANTARA NEWS BULLETIN, 15 Sep 86) .....	10
Kadin Chief Criticizes Rupiah Devaluation (ANTARA NEWS BULLETIN, 17 Sep 86) .....	11

Transmigration Program Termed Success (ANTARA NEWS BULLETIN, 19, 24 Sep 86) .....	12
Minister's Report	12
Governor Views Benefits	13
Minister: Not Javanization Project	13
No Decision on Nuclear Power Plant (ANTARA NEWS BULLETIN, 8 Oct 86) .....	15
Official Cites 'Stagnation Point' in Rice Production (ANTARA NEWS BULLETIN, 17 Sep 86) .....	17
Murdani Stresses Importance of Armed Forces' Dual Function (ANTARA NEWS BULLETIN, 16 Sep 86) .....	18
Briefs	
Naval Exercise With Brunei	19
Nonoil Export Value Drops	19
Bengkulu's Coal Deposits	19
LNG Shipment to ROK	20
British Aid Agreement Signed	20
Rattan Exports Banned	20
Coal Exports to Thailand	20
Oil Discovery in Malacca Straits	21
Navy Chief in Malaysia	21
Asphalt Plant in East Java	21
Sugar Self-Sufficiency Expected	22

#### MALAYSIA

Kit Siang Suggests MCA-Gerakan-DAP Joint Report to Cabinet (SIN CHEW JIT POH MALAYSIA, 22, 24 Aug 86) .....	23
Opposition Leader's Speech	23
MCA Youth Leader Rejects Suggestion	24

#### NEW ZEALAND

Finance Minister Says Inflation Trend 'Down' (THE EVENING POST, 10 Oct 86) .....	26
National Bank Sees 'Some Growth in 1987' (Michael Hannah; THE EVENING POST, 1 Oct 86) .....	28
Rural Bank Predicts Long-Term Prosperity (THE EVENING POST, 1 Oct 86) .....	30
Money Growth Rate Drops to 11 Percent (THE NEW ZEALAND HERALD, 4 Oct 86) .....	31



Six Percent Unemployment Rate Predicted for 1988 (THE EVENING POST, 6 Oct 86) .....	32
Paper Criticizes Additional Defense Review (Roger Mackey; THE EVENING POST, 4 Oct 86) .....	34
Paper Analyzes Defense Strategy, Options (Roger Mackey; THE EVENING POST, 9 Oct 86) .....	40
Briefs	
Five-Power Military Exercise .....	47

#### THAILAND

Foreign Ministry Sources Discuss U.S. Ties (LAK THAI, 25 Sep 86) .....	48
Publisher Sees U.S. as Exploiter, 'Devil in Disguise' (Rattana Yawapraphat; LAK THAI, 25 Sep 86) .....	52
Editorial Expects More SRV Intrusions, Attacks (SIAM RAT, 8 Oct 86) .....	54
China Wants To Sell More Diesel Oil (THAI RAT, 10 Oct 86) .....	56
Australian Legislature Member Visits Counterparts (Bangkok Domestic Service, 8 Oct 86) .....	57
Commerce Minister Surat Survives No-Confidence Vote (Various sources, various dates) .....	58
Open Ballot Adopted .....	58
Officials on Issue, Coalition .....	58
Statements by Party Leaders .....	61
Editorial Comments .....	62
Daily Views Intellectual Property Rights Issue (Editorial; NAE0 NA, 13 Oct 86) .....	63
Briefs	
Outgoing SFRY Ambassador .....	64
Glutinous Rice Sale to Laos .....	64
UK Defense Chief Visits .....	64
Commerce Minister on Resignation .....	64
Cambodian Border Situation .....	64

#### VIETNAM

##### MILITARY AFFAIRS AND PUBLIC SECURITY

Five Convicted in Ho Chi Minh City Bribery Case (SAIGON GIAI PHONG, 10 Aug 86) .....	65
---	----

## INTERNATIONAL RELATIONS, TRADE, AND AID

Buddhist Criticizes U.S. 'Interplantary War' Plan (VNA, 11 Oct 86) .....	66
SRV Delegate Speaks at UN Economic Debate (VNA, 12 Oct 86) .....	68
Reader Comments on Municipal Foreign Trade Sector (SAIGON GIAI PHONG, 12 Jul 86) .....	69
Conference of Revolutionary Museum Directors Ends (VNA, 10 Oct 86) .....	72
Briefs	
Polish Army Day Greetings	73
Exhibition on USSR Opens	73
Scientists Meet Sali Vongkhamsao	73
PRK Newspaper Anniversary Lauded	74
Zairian, Danish Envoys	74
Indochina Transport, Communications Meeting	74
Swedish Peace Activists	75
Representative at UN Debate	75
New Danish Envoy	75
CEMA Personnel Training Subcommittee	75
Peace Activists Received	76

## PARTY ACTIVITIES AND GOVERNMENT

Hue City Holds Party Organization Congress (Hanoi International Service, 8 Oct 86) .....	77
Nationwide Review of Province, City Council Activities (QUAN DOI NHAN DAN, 16 Aug 86) .....	78
Youth Federation To Be Strengthened at All Levels (SAIGON GIAI PHONG, 14 Aug 86) .....	80
Reader Complains About Abusive Cadres (NHAN DAN, 6 Aug 86) .....	81
Editorial Urges Efforts for Successful Party Congresses (QUAN DOI NHAN DAN, 15 Aug 86) .....	82
Briefs	
Meeting Marks Hanoi Liberation Day	85
Journalists' Workshop	85

## ECONOMIC PLANNING, TRADE, AND FINANCE

Socioeconomic Strategies for Development of Ho Chi Minh City (Thanh Le; SAIGON GIAI PHONG, 21 Aug 86) .....	86
--	----

Emphasis on Developing Districts as Economic Units Urged (Mai Linh; NHAN DAN, 6 Aug 86) .....	89
Reader Comments on Negative Incidents in Commercial Sector (SAIGON GIAI PHONG, 12 Jul 86) .....	91
Readers Complain About Poor Management, Dishonesty (NHAN DAN, 6 Aug 86) .....	92
Reader Complains About Waste of Money, Materials (Tran Hong Quan; SAIGON GIAI PHONG, 15 Aug 86) .....	94
Illegal Beverage Production Reported (SAIGON GIAI PHONG, 21 Aug 86) .....	96
AGRICULTURE	
Agriculture Official Comments on Hog Raising (Le Sinh Tang; NHAN DAN, 6 Aug 86) .....	97
Agricultural Conditions in Ho Chi Minh City Area (Editorial; SAIGON GIAI PHONG, 15 Aug 86) .....	102
NHAN DAN Article on Irrigation Development (VNA, 11 Oct 86) .....	104
Briefs	
North Cotton Yield .....	105
Mountain Provinces' Output Reviewed .....	105
Agricultural Activities Reported Nationwide .....	105
Jute Planted on Hilly Land .....	105
HEAVY INDUSTRY AND CONSTRUCTION	
Bim Son Cement Plant Strives To Surpass Production Norm (NHAN DAN, 6 Aug 86) .....	107
Better Management of Local Construction Materials Urged (Editorial; NHAN DAN, 6 Aug 86) .....	108
Briefs	
Oil-Gas Pier .....	110
Oil Tanker, Platform Models .....	110
Hydroelectric Power Stations .....	110
HEALTH, EDUCATION, AND WELFARE	
Press Criticized for Ineffectiveness (Thai Duy; DAI DOAN KET, 2 Jul 86) .....	111

SCIENCE AND TECHNOLOGY

Chemistry Institute Said To Utilize Full Capacity  
(Tran Manh Tri; SAIGON GIAI PHONG, 12 Jul 86) ..... 115

Briefs  
Informatics Conference 118

/9986

AUSTRALIA

MORATORIUM ON NUCLEAR WARSHIPS CALLED BY MP

BK270930 Melbourne Overseas Service in English 0430 GMT 27 Sep 86

[Text] A federal labor parliamentarian, Mr Allen Blanchard, has called for a moratorium on the entry of nuclear-powered warships into Australia's ports on the grounds of safety.

The West Australian politician says the federal government should halt visits by nuclear ships until port safety provisions are implemented throughout the country. He also said the moratorium should be enforced until an inquiry by the Australian Senate on the safety of ship visits was concluded.

Mr Blanchard claimed he had documented evidence of serious neglect of public safety in the past.

Meanwhile, a retired Australian Naval officer has said there are no emergency procedures to cope with a nuclear accident on a visiting warship. Former Lieutenant Commander (Michael Lynch) was referring in particular to next week's visit to Sydney by at least five nuclear warships.

A Radio Australia reporter in Sydney, (Janet Grist), has the story: [Begin recording] On Monday, the first of 8,000 foreign sailors will come ashore in Sydney during 2 weeks of navy celebrations. A total of 42 warships will arrive during this time.

[Michael Lynch] was formerly the operations officer at HMAS Sterling in western Australia. As such, he was responsible for the visits of all foreign warships to the state. He says governments have no plans to cope with an accident involving radioactive material from warships as the whole scenario is simply too difficult to cope with.

Mr (Lynch) said governments even refuse to acknowledge that a huge risk exists because of such visits and yet, he says, between 1965 and 1976 there were 381 accidents involving nuclear weapons under the U.S. Navy's control.

Mr (Lynch) said Australians should not have to take the risk in the first place just to give sailors some rest and recreation. [end recording]

/9738

CSO: 4200/47

AUSTRALIA

VALLENTINE, OTHERS PROTEST ALLIED SHIP CALL

BK290702 Melbourne Overseas Service in English 0430 GMT 29 Sep 86

[Text] Most of the ships in a big fleet of allied vessels have now tied up in Sydney harbor after a spectacular entry today. Escorted by Navy jets and helicopters and a flotilla of small craft, the 7-nation fleet is in Sydney to help mark the Royal Australian Navy's 75th anniversary.

About 50 small protest vessels centered their attention on the ships said to be carrying nuclear weapons, but no incidents were reported. Demonstrators and supporters of the ships mingled at Mrs Macquaries Chair near the Sydney Opera House. (Marie Blanch) reports:

[Begin (Blanch) recording] The protestors had come from all over Australia to wave the antinuclear banner, including Senator Norm Sanders, an Australian Democrat from Tasmania, and Senator Jo Vallentine, the west Australian Independent. Earlier, a flypast of Navy helicopters left the protestors cold, but members of the Coalition for the Western Alliance, including New South Wales State Liberal President Mrs (Bronwyn Bishop), cheered and waved Australian and American flags.

One man was arrested near an American Warship, and members of the New South Wales Peace Squadron say police tried to stop them entering the water, claiming the area around Mrs Macquaries Chair was suddenly prohibited.  
[end recording]

/9738

CSO: 4200/47

AUSTRALIA

BRIEFS

**HAYDEN BACKS INDEPENDENCE**--The Australian Foreign Minister Mr Hayden, says Australia would like to see New Caledonia become independent as soon as it is realistically possible. Mr Hayden told the United Nations General Assembly in New York that an independent New Caledonia should have a multiracial system of government which recognizes the rights of the indigenous Kanaks and other long-term residents. However, the foreign minister said that he had repeatedly stressed to the Kanak movement that an independent New Caledonia must retain the support and goodwill of France. [Text] [Melbourne Overseas Service in English 0130 GMT 2 Oct 86 BK] /9738

**TUNA FISHING AGREEMENT**--Australia, New Zealand, and Japan have reached agreement on reduced fishing quotas of a global catch of southern bluefin tuna. The three countries have agreed to cut the annual catch by 6,500 tons to 31,000 tons for the next three seasons. Australia's primary industry minister, Mr John Kerin, says the agreement was reached after 4 months of consultations in Tokyo and Canberra on the depleted numbers of the tuna. Australia's catch each season will drop to 11,500 tons, Japan's will drop to 19,500 tons, and New Zealand's limit will remain at 1,000 tons. [Text] [Melbourne Overseas Service in English 0130 GMT 2 Oct 86 BK] /9738

**FISHING AGREEMENT WITH TAIWAN**--Australia has signed a new agreement for access by Taiwanese fishing trawlers to Australian waters at the north and northwest coasts. The primary industry minister, Mr John Kerin, says that under the new agreement 50 pairs of Taiwanese trawlers will be allowed to catch up to 15,000 tons of fish in the area. Mr Kerin said that an important feature of the new agreement is that commercial Taiwanese fishermen would no longer be using gill nets in Australian waters. He said this was a result of the government's decision to limit the length of gill nets to 2.5 kilometers to reduce the accidental catch of dolphins. [Text] [Melbourne Overseas Service in English 0430 GMT 8 Oct 86 BK] /9738

CSO: 4200/47



INDONESIA

EXECUTION OF NINE PKI MEMBERS CONFIRMED, AUSTRALIAN REACTION

'No Alternative'

BK140954 Jakarta THE JAKARTA POST in English 9 Oct 86 p 1

[Article by Suryo Winoto]

[Text] Jakarta (JP)--The Armed Forces spokesman, Brigadier General P. Damanik, Wednesday [8 October] confirmed reports on the recent execution of nine former Indonesian Communist Party [PKI] members.

He told THE JAKARTA POST at his office that the nine communists executed were Kamaruzzaman alias Syam, Supono Marsudijoyo alias Pono, Mulyono bin Ngali alias Bono, Amar Hanafiah, Abdulah Alihani, Wiryo Atmodjo, Kamil, Tamuri Hidayat and Sudiyono.

"The government had no alternative but to carry out the death sentence handed down by the military tribunal because the nine were found guilty of attempting to overthrow the legal government in the September 30 Movement (Gestapu)."

He also stressed that the PKI members had been proven guilty of subversion. He didn't say, however when their appeals for clemency were turned down.

Syam, Pono and Bono were key figures in the abortive Gestapu coup, and were convicted by a military court in 1966. Their clemency appeals were made before 1970, Damanik said.

The executions were carried out after a thorough study and review on their clemency appeals, which apparently took several years to complete. "We will not take such a decision before studying things carefully. This policy is in line with our state ideology, Pancasila that puts humanity and justice ahead of everything."

The government had exhausted every legal procedure before the executions, he went on, adding there was nothing special about the executions as the rebels had tried to replace the state ideology with a communist one.

"Defendants charged with dealing in narcotics in Malaysia face the death sentence. That's Malaysian law. The former PKI activists deserved the



death penalty because of their attempt to topple the legal government, according to the Indonesian law," Damanik explained.

He, however, could not say when, where and how they were executed, saying that all procedures were respectfully fulfilled by the government, including granting them a last meeting with their families.

"Their corpses were buried with ceremonies in accordance with their requests," he said.

In Indonesia, executions are usually carried out by firing squad.

Kamaruzaman alias Syam, Pono and Bono were the key figures and hard-core activists in the 1965 PKI coup attempt, the file kept by the Operation Command for the Restoration of Security and Order (Kopkamtib) said.

Kamaruzaman was one of the abortive coup attempt masterminds, in charge of operations, while Pono was his assistant.

It was Kamaruzaman who was infiltrated into the army and who stressed the urgency to carry out the coup d'etat before what they called the DEWAN JENDERAL (Council of Generals), could take over the country.

The chairman of the PKI Central Special Bureau was also responsible for the preparation of the regional special bureaus for the bloody coup attempt.

Gestapu was a well prepared political movement that utilized armed forces members to commit a rebellion, the Kopkamtib analysis indicated.

The coup was apparently the clandestine continuation of the Madiun rebellion, masterminded by the PKI, that claimed scores of lives in 1948 in East Java.

The extraordinary military tribunal (Mahmilub) had completed a total of 38 PKI cases as of 1978 and the military tribunal (Mahmil) had completed 291 cases, whereas 466 cases had been finished by district courts.

#### Australian Concern

BK100933 Melbourne Overseas Service in Burmese 0430 GMT 10 Oct 86

[Text] Australia has expressed its concern about the execution of nine Indonesian communists found guilty of involvement in the 1965 abortive coup against the late President Sukarno. Under instruction from the foreign minister, Mr Hayden, Australia's ambassador in Jakarta, Mr Bill Morrison, called on the Indonesian Department of Foreign Affairs.

An embassy spokesman said Mr Morrison had registered the government's concern about the executions in the wake of reports that another 14 members of the banned Indonesian Communist Party, the PKI, are awaiting execution. Mr Morrison appealed for compassion.

He was told his comments had been noted and would be passed on. Although widely rumored, the executions were only recently confirmed by the Armed Forces spokesman, Major General Pieter Damanik. He said that the government had had no alternative and the executions had been carried out after all appeals had been exhausted.

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CSO: 4200/40

INDONESIA

UK MINISTER SAYS INVESTMENTS TO CONTINUE

Jakarta ANTARA NEWS BULLETIN in English 18 Sep 86 pp A4, A5

[Text] Jakarta, 17 Sep (ANTARA)--Britain will continue its investment in Indonesia in bad as well as in good times, and within the next few months the executives of the biggest construction company and builder of power station of England, John Laing, will come to Indonesia to seek prospect of investment.

This was disclosed by British Minister of Housing, Urban Affairs and Construction, John Patten, in a press conference ending his four-day visit here Wednesday.

The British minister who came with a business delegation had held talks with several Indonesian ministers such as Minister of Mines Subroto, Public Housing Minister Cosmas Batubara, State Minister for Development Planning Sumarlin and Minister of Transmigration Martono.

Included in his delegation were senior directors of Balfour Beatty that had been building a dam in Indonesia with a Swedish group.

He further said that the soft-loan facility from England had been enormously welcomed by Indonesia and that the Indonesian Government had considered the approach to development as one of the best ways.

The minister said British companies already involved in joint ventures in Indonesia will continue their engagement, adding that his visit had also been intended for assessing their future prospects.

He reported that reflecting a high interest in Indonesia some high-ranking officials of the United Kingdom will make a visit to Indonesia such as the Agriculture Minister who will come next October.

Minister Patten said his delegation had been interested in various projects such as dam construction, transmission line, and transportation facility.

/9274  
CSO: 4200/41

INDONESIA

JAPANESE INVESTMENTS IN SMALL, MEDIUM INDUSTRIES

Jakarta ANTARA NEWS BULLETIN in English 8 Oct 86 p A5

[Text] Osaka, 7 Oct (ANTARA)--Japan has been the biggest investor in small and medium scale industries in Indonesia since 1967, Indonesian Minister for the Promotion of the Use of Domestic Products Ir. Ginandjar Karasasmita revealed Tuesday at a symposium on business and financial cooperation between Asia and Japan held here from 6-7 October.

Investments of less than US\$2.5 million are considered small, those over US\$2.5 and less than US\$5 million are medium. Over the period of 1967 to June 1986 investments in small-scale industries numbered 318 projects or 38.4 percent of the total worth US\$377.8 million while medium-scale investments numbered 145 projects or 17.5 percent of the total \$US \$528.1 million).

Japan's investments in small-scale industries numbered 152 projects (50.7 percent) worth US\$182,083,160 against its investments in medium-scale industries of 52 projects (17.3 percent) worth US\$183,855,554.

Small-scale foreign investments are mostly in the sectors of agriculture, food processing industries, non-basic chemicals, timber and other wood products. Medium-scale investments are generally in the pharmaceutical, chemical and metal industries, while large-scale investments are in the textile, basic chemicals and mechanical and automotive industries.

/9274

CSO: 4200/49

INDONESIA

JAPAN PROVIDING RUPIAH FUNDS TO MAINTAIN EXPORTS

Jakarta ANTARA NEWS BULLETIN in English 12 Sep 86 p A4

[Text] Jakarta, 12 Aug (ANTARA)--Japan has provided a large amount of counter funds in extending loans to Indonesia in fiscal 1986/87 to maintain exports of its products to this country, which is today facing financial difficulties, Prof Dr Ir. Soedarsono Hadisapoetro has stated.

Soedarsono, former minister of agriculture who is now a member of the Supreme Advisory Council (DPA), told ANTARA here Thursday that without rupiah funds Indonesia would not be able to handle development projects already planned.

If Indonesia fails to undertake the planned projects, Japan will have less opportunities to sell its products to this country, according to Soedarsono, an agronomist who is now chairman of the Indonesian Cooperatives Council (Dekopin).

Japan, in accordance with its commitment in the IGGI meeting last June, will give loans worth ¥80 billion (about US\$529 million) to Indonesia in the 1986/87 fiscal year.

Some 26% of the loans or about ¥20.6 billion will be provided in the form of local funds which will be used to buy local products.

Basically, loans from overseas sources in foreign currencies have so far been used to buy imported goods. For the purchase of local products, the Indonesian Government makes available the funds.

The financial difficulties, according to the professor, have caused the Indonesian Government to face the scarcity of local funds.

Realizing that it is impossible to handle a project without local funds, Japan has decided to help Indonesia by giving part of its loans in foreign currencies that can be converted into rupiah funds to buy local products.

The courage of the Japanese side to make such a decision is fostered by the confidence to win international tenders for projects financed with foreign aid in Indonesia.

/9274  
CSO: 4200/41

DEVALUATION NOT TO DELAY FOREIGN DEBT REPAYMENT

Jakarta ANTARA NEWS BULLETIN in English 15 Sep 86 pp A2, A3

[Text] Jakarta, 15 Sep (ANTARA)--The Indonesian Government will not delay the repayment of foreign debts as well as the handling of development projects already planned in the state budget, Minister of National Development Planning J. B. Sumarlin has stated.

Speaking before newsmen after attending a cabinet meeting here Saturday, Sumarlin confirmed that the devaluation of the rupiah on 12 September 1986 would not affect the regular repayment of debts and the handling of projects.

Indonesia will continue the repayment of foreign debts in U.S. dollar, according to Sumarlin, who is concurrently chairman of the National Development Planning Board (Bappenas).

He did not rule out the possible revision of the 1986/87 State Budget in connection with the swelling amount of the rupiah funds following the devaluation.

Governor of Bank Indonesia Arifin Siregar disclosed meanwhile that with the devaluation of the rupiah by 45 percent against the U.S. dollar, Indonesia's foreign exchange reserves were expected to remain stable at the present amount of about U.S.\$10.7 billion.

The Central Bank governor expressed the hope that Indonesia's foreign exchange reserves would increase at the end of the 1986/87 fiscal year.

Without launching the devaluation, Indonesia will have to use a large amount of foreign exchange reserves because of the drastic fall in the price of crude oil on the world market in a very short time.

/9274

CS0: 4200/41

INDONESIA

KADIN CHIEF CRITICIZES RUPIAH DEVALUATION

Jakarta ANTARA NEWS BULLETIN in English 17 Sep 86 p A2

[Text] Jakarta, 16 Sep (ANTARA)--The government should not have devaluated the rupiah against the U.S. dollar, because even though economically it was a good step, politically and psychologically it would affect the people's trust on the government.

The government had stated several times in the past that it would not devalue the rupiah, so the devaluation announced on 12 September has produced a negative impact, both politically and psychologically, chairman of the Indonesian Chamber of Commerce and Industry (Kadin) H. Sukamdani Sahid Gitosardjono stated Tuesday at a hearing with the House Commission VII.

In spite of that, Kadin, as the sole medium of the business sector and partner of the government will continue to help the government achieve the development targets, such as improving the country's balance of payment and increasing non-oil exports.

To ensure the success of non-oil exports, the government should take other steps such as lowering bank interest and improving export arrangement, he said.

Too High

Sukamdani stated the devaluation of the rupiah against the U.S. dollar by 45 percent was too high for the present sluggish business climate.

He called on businessmen, particularly those who receive foreign loans, to support the government.

The government does not have to worry that the domestic funds will run abroad provided it lowers bank interests to encourage investment and the national economic activities, he assured.

It is hoped that the government would give allowances to businessmen who are now facing capital problems, such as through a postponement of tax payment to avoid laying off workers.

The government is also expected to allow revaluation of assets which is tax free.

/9274

CSO: 420C/41



INDONESIA

## TRANSMIGRATION PROGRAM TERMED SUCCESS

### Minister's Report

Jakarta ANTARA NEWS BULLETIN in English 19 Sep 86 pp A5, A6

[Text] Jakarta, 19 Sep (ANTARA)—More than 1,004,100 families from critical and densely populated areas in the country have been resettled in transmigration centres since 1969/80 or the first year of the five-year development plan (Repelita).

Minister of Transmigration Martono reported at a meeting with Parliamentary Commission IV here Thursday that the target of the transmigration program from the beginning of the Repelita program to the 1986/87 fiscal year had been set at 1,039,525 families.

Thus the realisation of the transmigration program by resettling over 1,004,100 families up to the present time has met about 96.6 percent of the target, Martono pointed out.

Concerning the realisation of the transmigration program in the current Repelita IV (fourth five-year development plan--1984/85 to 1988/89), the minister disclosed that the sending of transmigrants to resettlement centres reached 101,888 families, still below the target of 125,000 families.

In the second year of Repelita IV (1985/86), the resettlement of transmigrants reached 166,347 families, exceeding the target of 135,000 families set for the 1985/86 fiscal year.

The sending of transmigrants to resettlement centres in the third year of Repelita IV (1986/87) had up to the fifth month of the fiscal year reached 71,183 families, below the target of 150,000 families set for fiscal 1986/87.

The projection for the sending of transmigrants in the fourth year (1987/88) and the fifth year (1988/89) of Repelita IV has been fixed at 165,000 families and 175,000 families respectively, Martono said.

He disclosed that funds allocated for the realisation of the transmigration program in 1986/87 amounted to Rp 322,755,511,000, comprising Rp 208,165,305,000 provided through the State Budget and Rp 114,590,206,000 derived from foreign aid.



Governor Views Benefits

Jakarta ANTARA NEWS BULLETIN in English 19 Sep 86 pp A8, A9

[Text] Merauke, 19 Sep (ANTARA)—Governor of Irian Jaya Isaac Hindom has stated that transmigration program in Irian no longer caused comments since it had proved to be a program that elevated the people's prosperity.

If there is a negative opinion on the program, it must have come from those who do not want to see development going on in the province, said the governor.

Governor Hindom stated this here Thursday when meeting transmigrants and the Marind and Muyu tribes in Erambo village, Merauke regency.

The governor visited the village together with the regional administration secretary Dr Andreas Soenarto and other officials.

Every government program aimed at developing Irian Jaya has in the last three years been forced to face challenges, including the ones coming from those wanting to undermine the regional administration and run the regional projects in accordance to their own taste, said the governor.

Transmigration is always put high on the government's priority scale every year, he said adding that the government will transmigrate another 5,000 people next year to the province.

The transmigrants will resettle in the fertile area in the southern and northern coast, the Kepala Burung cape, and several small islands in the province.

The sooner the transmigration program is carried out, the better it will be for the Irian Jayans since they can learn a lot from the newcomers about for example rice farming, the governor concluded.

On the occasion, Governor Hindom, who is also the chairman of the Irian Jaya KONI (National Sports Committee) presented a set of sports equipment to the inhabitants of Erambo village.

Minister: Not Javanization Project

Jakarta ANTARA NEWS BULLETIN in English 24 Sep 86 pp A1, A2

[Text] Jakarta, 23 Sep (ANTARA)—Minister of Transmigration Martono has reiterated that transmigration is not a javanization project.

Speaking before 30 participants of a training group course involving representatives of Thai banks affiliated to BAAC (Bank for Agriculture and Cooperative) here Tuesday, Martono describes as "nonsense" the accusation that the transmigration project destroys the culture, traditions and livelihood of indigenous tribes in Kalimantan and Irian Jaya.

The group organized by the German Foundation for International Development and led by Robin Bickley, visits Indonesia for a comparative study on rural development.

Next to having dialogues with Minister Martono, the group will visit the transmigration sites in South Kalimantan.

The minister noted that over the past 20 years, only 15,000 transmigrant families have been settled in Irian jaya, and that none of them were placed in the central highlands where the vast majority of native Irians live.

"In fact, no settlement has ever been planned for the highlands," he said, adding that for the foreseeable future, not more than 2,000 new families a year in the province are expected to resettle, even though the official targets are higher.

He said the government would gradually help the tribal people move into the 20th century from what is essentially a stone age existence.

#### No Conflicts

Martono admitted that in the early phases of the implementation of the transmigration schemes, sometimes minor conflicts took place, but all could be settled through consensus.

"On the whole, there were no accidents that led to a major conflict between the transmigrants with the local people," he said. The minister described transmigration as a facility for "national character building" in accordance with the Indonesian youth's solemn oath: one nation, one language and one country, INDONESIA,

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CSO: 4200/41

INDONESIA

NO DECISION ON NUCLEAR POWER PLANT

Jakarta ANTARA NEWS BULLETIN in English 8 Oct 86 pp A1, A2

[Text] Jakarta, 8 Oct (ANTARA)--The government has until now made no concrete decision yet to adopt the program on the construction of a nuclear power plant, a government official said Tuesday.

But the government is ready to conduct various research activities such as a survey on the possible site of a nuclear power plant at Moria Mount, Jepara, so there will be no difficulties if the decision is taken later, said Deputy Director General for Basic Research and Application Budi Sudarsono.

Following an Indonesian-German seminar on "the utilization of waste materials, nuclear safety and the public acceptance on the nuclear technology," he said the government will clear the problems first particularly those relating to public acceptance.

"The point now is how to explain this technical thing to the society which has already been overwhelmed with the fear of the first atomic bombs," he said.

"There are objections such as the anti-nuclear demonstrations in West Europe. As a matter of fact, the nuclear power plant can be operated safely," he said.

Sudarsono believed the perception of the Indonesian society itself on the plan to build a nuclear power plant is fairly good, although he admitted there were some different ideas such as found in the newspaper. "But it is because they have yet not got a complete information on the nuclear power plant. It is natural," he said.

He argued that in the long run, the establishment of a nuclear power plant in the country is unavoidable due to the limits of oil fuels reserves.

"Therefore, the oil fuels will better be used for transportation only, so development can continue safely," he said.

Significant Role

Meanwhile D. Nentwich, chief of the German delegation from the KFA Julich International Bureau, said at the opening of the seminar that the public

relations activities play a significant role particularly following the accident in the Chernobyl nuclear plant in the Soviet Union.

He hoped the West German experience in facing the problems on the public objections on nuclear plants be advantageous to Indonesia.

The seminar was attended by experts from West Germany and Indonesia such as from the universities, the environmental group, mass media and the Agency for Atomic and Nuclear Energy (Batan).

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CSO: 4200/49

INDONESIA

OFFICIAL CITES 'STAGNATION POINT' IN RICE PRODUCTION

Jakarta ANTARA NEWS BULLETIN in English 17 Sep 86 p A5

[Text] Denpasar, 17 Sep (ANTARA)--Although rice production in Indonesia in 1986 is expected to reach 26.5 million tons and to be sufficient to meet domestic requirements, this increase has however reached a point of stagnation compared with the previous year, the secretary of the "Bimas" (mass guidance) control board, Dr H. Dudung Abdul Adjid, said at Kuta, Bali, Tuesday.

He reminded that Indonesia would still remain self-sufficient in rice, but comparing with the 1985 production, the current situation showed the danger sign.

Speaking before a technical meeting on "Bimas" planning on a national level, Dudung Abdul Adjid went on to say, "this situation can not be left as it is and we should react on this danger sign through examining the main factors, such as the total acreage of the cultivated area, the harvest area and the average production per hectare."

Monitoring results so far have shown that the harvest area in 1983 covered an area of 9.16 million HA; in 1984 9.76 million HA; in 1985 9.83 million HA; but in 1986 the harvest area has decreased to only 9.60 million HA, he said.

The cause of the decrease in production should be analyzed, whether it is through decrease of the cultivated area or through increase of attacks by plant diseases or pests.

Abdul Adjid also made an appeal to be on the alert for the coming year. Because the year 1987 is expected to be subnormal climatically and dry, he said. He hoped that the stagnation in the increase of rice production in 1986 would not become worse in the coming year.

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CSO: 4200/41

INDONESIA

MURDANI STRESSES IMPORTANCE OF ARMED FORCES' DUAL FUNCTION

Jakarta ANTARA NEWS BULLETIN in English 16 Sep 86 pp A4, A5

[Text] Jakarta, 15 Sep (ANTARA)--Armed Forces Commander General L. B. Moerdani has reiterated that the dual role of the Armed Forces as military and socio-political forces is inseparable and is essentially unified to be the principle of the existence of the Armed Forces which will manifest itself in the attitude, concept and action of the members.

With regard to this all Armed Forces members must be aware of when to use their military and social leadership or both of them, he said in his written address at the closing of an up-grading course of the Armed Forces principle social-political personnels here Saturday.

He reminded that "the pace of growth of the society always requires a right social leadership."

He further said Armed Forces members must always be watchful as there are groups in the society that cannot understand the dual role of the Armed Forces due to an influence from social sciences originating from the cultural backgrounds outside Indonesia.

According to him, the dual role of the Armed Forces is difficult to understand by using the theories from foreign cultures, since the Indonesian social problem can only be correctly analysed on the basis of the Indonesian cultural values.

"It is time for the Indonesian to be aware that social theory and knowledge is an empiric science that originates from the experience of a particular nation," he said.

The Indonesian is open to any sciences but with the attitude the Indonesian must also take into account the cultural backgrounds of the sciences.

"That is what we must realize and to tell the people about it is one of the tasks of the principle social and political personnel of the Armed Forces," he said.

He stated that the success of the dual role of the Armed Forces depends much on how the generations of the Armed Forces carry it out. This first social and political up-grading course was attended by 20 Army members, eight Navy members, seven Airforce members and seven Police members.



INDONESIA

BRIEFS

**NAVAL EXERCISE WITH BRUNEI**--Pontianak, 30 Sep (ANTARA)--Three Brunei patrol ships arrived here Monday to join Indonesian warships in a sea exercise to be held in the West Kalimantan waters. The exercise, code-named "Brunindo," will last until 3 October with three ships from the Indonesian navy participating. Seventy-two navy men of Brunei will take part in the exercise under the command of Squadron Commander Major Ismail bin Haji Sarbini. The Brunei ships are the KDB Seteria, the KDB Pemburu and the KDB Penyerang. From the Indonesian side, the three navy ships to participate are the KRI Mundu, KRI Si Kuda and the KRI Si Ada, under the command of Navy Lieutenant Colonel Pujiono. These ships arrived at the Pontianak harbor on Sunday. [Text] [Jakarta ANTARA NEWS BULLETIN in English 30 Sep 86 p A5] /9274

**NONOIL EXPORT VALUE DROPS**--Jakarta, 1 Oct (ANTARA)--Indonesia's non-oil export value dropped by around 11.4 percent in the first eight months of this year, ANTARA Deared from Bank Indonesia Wednesday. In the first eight months of 1985 Indonesia's non-oil exports were valued at US\$4,482 million and decreased to US\$3,972 million in the first eight months of this year or by US\$510 million. Most of the Indonesian non-oil export commodities were sawn timber, plywood, rubber, coffee, tin, copper, palm oil, frozen shrimps, tuna, tea, tobacco, rattan, spices, cement, fertilizers and others. They were exported to the United States, Japan, the European Economic Community, Hongkong, South Korea, Taiwan, some Eastern European and Middle East countries. Indonesia earned the biggest income from wood (US\$533.79 million) followed by handicrafts including garments (US\$455.86 million), coffee (US\$399.73 million), rubber (US\$303.93 million), frozen shrimp (US\$128.28) and tin (US\$104.83 million). [Text] [Jakarta ANTARA NEWS BULLETIN in English 1 Oct 86 pp A8, A9] /9274

**BENGKULU'S COAL DEPOSITS**--A survey conducted by the government not long ago indicates that Bengkulu has coal deposits containing about 3 billion tons of coal, Governor of Bengkulu Soeprapto said when he visited here recently. The exploitation of coal deposits has been underway in Bengkulu, and in the middle of this year that province exported 250,000 tons of coal to various countries, especially Asian countries. The target of coal exports from Bengkulu this year is 500,000 tons. Besides coal deposits, gold deposits are also found in that province. The deposits are estimated to contain 550 kg of gold. Sulphur and iron ore are also available in the province. The opening of the Pulau Baai seaport will smoothen the export of minerals from that

province. To increase the collection of foreign exchange earnings, the Bengkulu administration is currently endeavouring to step up the production of plantation commodities, such as coffee, cacao and oil palm. The Bengkulu administration invites investors to participate in the development of plantation and mining subsectors in the province, the governor stressed. [Text] [Jakarta BUSINESS NEWS in English 3 Oct 86 p 9] /9274

LNG SHIPMENT TO ROK--Seoul, 3 Oct (ANTARA/Yonhap)--The first shipment of 57,000 tons of Indonesian liquefied natural gas (LNG) is scheduled to arrive in South Korea in early November, the Energy and Resources Ministry reported Friday. Indonesia agreed to base its LNG price on spot market prices of oil in a recent Korea-Indonesia energy officials' meeting in Jakarta, a ministry official said. In the Jakarta negotiations held 23-27 September, Korea held fast to its earlier demand that Indonesia lower to 13 U.S. dollars per barrel the standard export price of its crude oil, so that Korea's import price of Indonesian LNG could be scaled to the price of Indonesian crude oil. Under a 20-year contract signed between the two countries in August 1983, Korea is supposed to import two million tons of Indonesian LNG every year. The contract set Indonesian LNG prices at 27.35 dollars per barrel, the same as the 1983 Indonesian government's LNG sales price. Korea has pressed Indonesia for the last two months to revise its LNG prices in line with the declining international crude oil prices. [Text] [Jakarta ANTARA NEWS BULLETIN in English 3 Oct 86 p A7] /9274

BRITISH AID AGREEMENT SIGNED--The British Government has approved technical assistance worth 2.5 poundsterlings million for gas development projects handled by the state-run gas company in Indonesia. The Memorandum of Understanding (MOU) of the technical assistance was signed here recently by Director General of Oil and Gas Ir. Sudarno Martosewoyo and Miss M. I. Rothwell, who on the occasion represented the British ambassador to Indonesia. In connection with the extension of the British technical assistance, the Indonesian Government has agreed to provide office utensils and equipment, office rooms, secretariat facilities and transport facilities. [Text] [Jakarta BUSINESS NEWS in English 8 Oct 86 p 9] /9274

RATTAN EXPORTS BANNED--Jakarta, 8 Oct (ANTARA)--Minister of Trade Rachmat Saleh has issued a decree banning exports of rattan which is included in the raw material group, as of 8 October 1986. Through his letter of decision number 274/Kp/X/86 dated 7 October 1986, the minister also banned the exports of rattan which is included in the group of semi-processed goods beginning 1 January, 1989. The ban was issued in view of utilizing rattan as one of the national resources, expanding job opportunities and gaining as much foreign exchange reserves as possible. [Text] [Jakarta ANTARA NEWS BULLETIN in English 9 Oct 86 p A2] /9274

COAL EXPORTS TO THAILAND--Indonesia has exported coal in the form of briquette to Thailand. Indonesia's supply of briquette to that ASEAN member country stood at 27,000 tons worth U.S.\$1,531,542 last year, up about 80.92 percent in volume and 124.65 percent in value over that in 1984. The prospect of Indonesia's coal supply to Thailand's bright in the future as Thailand has



converted gradually the fueling system of its power and cement plants to the system using coal as an energy source. Thailand imports coal in the form of solid coal (from Australia and the United States), briquette (from Indonesia) and antracid (from Vietnam). The available data show Thai imports of coal jumped from 32,655 tons worth US\$3,538,411 in 1981 to 117,581 tons valued at US\$6,827,985 in 1983 and soared further to 190,230 tons worth US\$10,039,274 in 1984. In the first semester of 1985 Thailand imported 112,230 tons of coal worth US\$5,547,995. According to the result of the survey, coal deposits with a total capacity of about 1,200 million tons are found in 49 locations in Thailand. The deposits mostly contain lignite, which is not good for thermal contribution. [Text] [Jakarta BUSINESS NEWS in English 19 Sep 86 p 9] /9274

OIL DISCOVERY IN MALACCA STRAITS--Jakarta, 11 Sep (ANTARA)--Pertamina's production sharing contractor company, Hudbay Oil, has discovered another oil and gas deposit in the Malacca straits, 60 km southeast of Sungai Pakning city, Riau province. The deposit is estimated to keep oil and gas with a respective capacity of 302 barrels and 10 million cubic feet per day. The Public and Foreign Relations Bureau of Pertamina (state-owned oil company) Thursday announced that the oil and gas deposit was found in a well in exploration area MST-A-1, 15 km southeast of the Melibur oil field. Hudbay oil is a British oil company that is cooperating with Pertamina in a production sharing contract with a share of 42.92 percent. It has produced 35,000 barrels of oil per day since July 1984. [Text] [Jakarta ANTARA NEWS BULLETIN in English 12 Sep 86 p A1] /9274

NAVY CHIEF IN MALAYSIA--Kuala Lumpur, 22 Sep (ANTARA)--Indonesian Navy Chief of Staff Vice Admiral R. Kasenda, accompanied by his Malaysian counterpart Vice Admiral Abdul Wahab Nawi, paid a call on Malaysian Defence Minister Datuk Abdullah Ahmad Badawi at the Defence Ministry here on Monday. R. Kasenda later called on Malaysian Chief of Defence Forces General Ghazali Che Mat. Vice Admiral Kasenda, who arrived here on Sunday for a six-day official visit to Malaysia, also had a meeting with Vice Admiral Abdul Wahab Nawi. The Indonesian Navy Chief of Staff and his six-member delegation are also scheduled to visit the Malaysia's Navy Region One Headquarters in Kuantan, in the eastern state of Pahang, the Royal Malaysian Navy base in Lumut, in northern state of Perak, and the Malaysia Shipyard and Engineering (MSE) in Pasir Gudang, in the southern state of Johore. [Text] [Jakarta ANTARA NEWS BULLETIN in English 23 Sep 86 p A2] /9274

ASPHALT PLANT IN EAST JAVA--Surabaya, 24 Sep (ANTARA)--The construction of an asphalt plant in Gresik, East Java, was started last weekend at a ceremony attended by East Java Deputy Governor Dr Soeparmanto. Expected to be completed in 1988, the plant will fulfill the need for asphalt in East Java, Nusatenggara, East Kalimantan, South Kalimantan and all provinces in Sulawesi, Soeparmanto said in his address. When completed, the plant will produce asphalt. The project is located near by a thermal power station and a seaport which has so far served the shipment of goods to and from the Gresik Industrial estate. The plant, which will be managed by the state-owned oil company Pertamina, will produce 180,000 tons of asphalt a year with a basic material in the form of liquid asphalt supplied from Cilacap, in the southwestern part of Central Java. [Text] [Jakarta ANTARA NEWS BULLETIN in English 24 Sep 86 p A7] /9274

SUGAR SELF-SUFFICIENCY EXPECTED--Indonesia is expected to be self-sufficient in sugar in 1987, when the production of cane sugar in this country is projected at about 2.586 million tons, an increase of 30 percent over around 1,986 million tons this year. The Agriculture Ministry has estimated the sugar consumption in Indonesia at around 2.1 million tons per annum at present. If the target of 2,586 million tons can be met in 1987, Indonesia will be self-sufficient in sugar next year. In the effort to increase the production of cane sugar, the government will implement intensification program on about 282,000 ha of sugarcane plantations in 1987/88 under the smallholders' Sugar cane Intensification (TRI) schemes. The implementation of the TRI scheme on sugarcane estates in the current 1986/87 fiscal year is projected to cover 254,300 ha. The development of sugarcane estates in Indonesia is also undertaken by implementing the nucleus estates for smallholders (PIR) scheme. The expansion of sugarcane plantations under the PIR system is projected to cover 2,400 ha in 1986/87 and 2,400 ha in 1987/88. [Text] [Jakarta BUSINESS NEWS in English 24 Sep 86 p 9] /9274

CSO: 4200/42

MALAYSIA

# KIT SIANG SUGGESTS MCA-GERAKAN-DAP JOINT REPORT TO CABINET

## Opposition Leader's Speech

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 22 Aug 86 p 4

[Text] Lim Kit Siang, leader of the opposition, suggested that the DAP, MCA and GERAKAN jointly form a council to prepare and submit a combined report to the cabinet explaining why urban voters rejected the National Front in the general election just ended.

Lim Kit Siang, in his capacity as secretary general of the Democratic Action Party [DAP], was speaking before a large public gathering in Malacca last night organized by DAP's Malacca Branch by way of expressing the party's appreciation to the voters. The meeting was held at the auditorium of Pei Feng Chinese Middle School.

Mr Lim pointed out that from the point of parliamentary seats or total number of cast ballots, it was conclusively proven that the DAP obtained more votes than the Malaysian Chinese Association [MCA] and the Malaysian People's Movement [GERAKAN].

He said that after MCA's collapse in the election, its general secretary Lee Kim Sai analytically said that MCA's defeat was due to the New Economic Policy [NEP], economic recession and infighting within the party.

"However, the leader of the Youth Wing of the United Malays National Organization [UMNO] countered that MCA's leaders themselves were to blame; at the same time, the MCA was not able to explain government policies to members of Chinese society," Mr Lim added.

He continued that it was tragic and deplorable for the MCA, which is the second largest member party of the National Front, to have lost its powers in determining the principal causes for the party's failure in the general election.

He criticized the MCA for lacking the courage to explain why nearly a million voters in urban areas did not cast their votes for the MCA or GERAKAN.

In his opinion, MCA's timidity was attributed to the fact that since the 1982 election, the National Front has not been able to fulfill its promises of implementing a clean, efficient and reliable government. He added that several scandals have tarnished the government's reputation, including those involving

the Bumiputra Malaysia Finance, United Bank, Pan-Electric affair, government bonds affair and the M\$200-million MCA Holding Company affair.

Lim Kit Siang analyzed the factors which led to MCA's defeat in the election as follows:

--The National Front divided the Malaysian people into bumiputras and non-bumiputras, which promoted ethnic polarization;

--In July 1982 the National Front announced its policy of one language and one culture, and at the same time rejected the legal status of multilanguages and multicultures in Malaysia;

--After the 1982 general election, the National Front ignored the sensitiveness of our multireligion society and pushed forward its Islamization plan;

--During rioting in Sabah, the democratic rights of the local people were harassed by illegal demonstrations, bombings and the threats of arson and robberies;

--The National Front tolerated the influx of illegal immigrants from the Philippines and Indonesia, and turned our country into a paradise for the illegal immigrants to commit various crimes;

--The National Front unfairly allocated political powers by redelineating electoral districts in 1984, thereby violating the "one person, one vote" principle.

#### MCA Youth Leader Rejects Suggestion

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 24 Aug 86 p 4

[Text] Kee Yong Wee, leader of the Youth Wing of the Malaysian Chinese Association [MCA] today dismissed Lim Kit Siang's suggestion as an insincere cheap propaganda ploy. Mr Lim had suggested that his party, the Democratic Action Party [DAP], join hands with the MCA and the Malaysian People's Movement [GERAKAN] to form a federation.

Kee Yong Wee said that Mr Lim pretentiously claimed that the proposed collaboration among the three political parties is in the interests of the country and people, on grounds that they could submit a report to the cabinet reflecting urban voters' repudiation of the National Front in the general election. Mr Kee added that Mr Lim harbored selfish, ulterior motives when he publicly criticized MCA's secretary general Lee Kim Sai who had held that the major causes for MCA's defeat in the general election. Actually, according to Mr Kee, Mr Lim was merely currying public favors to pave the way for his party's admittance into the National Front.

Kee Yong Wee continued that Mr Lim's challenge for the MCA to accept DAP's suggestion is pointless, because MCA had publicly analyzed the factors which caused MCA's defeat, including the NEP irregularities and the MCA partisan war. "I don't understand how Lim Kit Siang could have accused that the MCA had 'lost its powers in determining the principal causes for the party's failure in the election,'" Mr Kee said.

In regards to the outcome of the election, Mr Kee said that every political party has its own viewpoint. Therefore, the "powers" to determine the reasons for the election failure simply does not belong to any particular party.

As to the differing opinions expressed by some leaders of the UMNO youth leaders, Mr Kee said that all this is a sign of democracy at work and that everybody is entitled to air his views. This is quite unlike the DAP politics, where "one person alone has the say," where it is democratic in name, but not in fact, as attested by the recent expulsion of dissidents Tan Tiao Ling and Quee Sui Siang from DAP membership.

Mr Kee asserted that MCA is a bridge between the government and Chinese society, always on the initiative in solving Chinese problems and participating actively in the future policies of the country. Our work style is quite different from DAP's which enthusiastically follows dark and sinister methods.

Mr Kee likened the DAP to a bungling surgeon. For example, if a person is hit by an arrow, this surgeon would merely know how to saw off the shaft but would let the arrowhead remain in the body of the victim, and then demand a fee. When asked why he didn't remove the arrowhead, the surgeon said: "That's the job of an internist (read: the ruling party). You'd better go see an internist." That's the work style of Lim Kit Siang, according to Mr Kee, because Mr Lim and his DAP party is expert in capitalizing on the dissatisfaction and sufferings of the Chinese community.

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NEW ZEALAND

FINANCE MINISTER SAYS INFLATION TREND 'DOWN'

HK140843 Wellington THE EVENING POST in English 10 Oct 86 p 6

[Text] New Zealand Press Agency--Politicians from both sides yesterday agreed annual inflation would top 15 percent by the end of the year, but differed on whether it was headed up or down.

Finance Minister Roger Douglas insisted the trend was downwards, despite the release of the September quarter Consumer Price Index (CPI) yesterday which showed a three-month increase of 3.3 percent.

Opposition leader Jim Bolger said inflation was on the way up.

Yesterday's result was the highest quarterly increase since June 1985, and contributed to an inflation rate of 11 percent for the year to September 30.

But Mr Douglas said 0.8 percent of the rise was caused by the tobacco hikes in the budget which increased cigarette prices 40 to 50 percent. He said that without the tobacco increase, the quarterly rise for September would have been 2.5 percent and compared this with the June quarter's 2.7 percent.

Inflation was still "definitely, trending down to single figures," he said, and would reach the relatively low singles within the next two years.

Mr Douglas was asked to predict what the annual CPI rise would be by the end of the December quarter. He replied he would like to consider it further. But he added: "I think...if you include the GST [goods and services tax] element, it will be around that 15 to 16 percent."

Mr Bolger, meanwhile, predicted an increase of more than 4 percent for the December quarter. This would mean an annual inflation rate of "over 15 percent," rising to 16 percent by the end of the financial year.

And he questioned Mr Douglas' removal of tobacco increases from the September quarterly figure. "If he took out a few more items, it would be lower still," he said. "None of these sorts of fiddles with the figures mean anything."



Opposition consumer affairs [word indistinct] Roger Maxwell produced his own prediction, which charted an annual inflation rate of 16.6 percent by December, 17.3 percent in March.

Engineers' Union national secretary Rex Jones said the 11 percent inflation rate announced yesterday was "absolute vindication" for the union's wage claim of 11.5 percent. He said the figures reinforced the union's argument that a substantial lift in wages was required.

Mr Jones said the union did not intend to reassess its 11.5 percent claim "at this stage." Clearly, he said, "these figures show that the government and employers have been consistently optimistic in predicting inflation." He said he hoped they would now temper their comments with a bit of realism.

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CSO: 4200/46

NEW ZEALAND

NATIONAL BANK SEES 'SOME GROWTH IN 1987'

HK080623 Wellington THE EVENING POST in English 1 Oct 86 p 48

[Article by economics and business editor Michael Hannah]

[Text] A suggestion by the National Bank today that the economic recovery expected by businesses next year may already have occurred has cast serious doubts on the accuracy of recent business opinion surveys.

In its latest Business Outlook, the bank's economists say businesses still agree there will be some growth in 1987--but only just. They say the GST [Goods and Services Tax] tax cuts package may stimulate the economy in the short term, but add that this is a possibility, not a certainty.

But another possibility was that the boost to the economy came in the middle of 1986, with pre-GST ordering and buying. "Those looking ahead to 1987 for the stimulus to the economy resulting from the switch to GST may be more likely to find most of it by looking over their shoulder," the bank says.

It appears manufacturers and retailers have based their expectations of a recovery on the heavy trading that preceded GST. "If orders rise, expectations rise. If orders fall, then expectations fall," chief economist Peter Baynes told THE POST.

Mr Baynes said it had been assumed retailers tended to base their expectations on whether current business was good or bad. But manufacturers were thought to be more sophisticated in measuring their likely business activity. The likelihood that manufacturers have also built their expectations on the pre-GST buying boom now casts doubt on earlier reports of an expected economic recovery.

"My gut feeling overall is that the earlier recovery might be a fizzer," Mr Baynes said. However, he added that he believed the economy had "bottomed out. We are looking at a recovery--but only just."

The bank's latest survey shows a strong difference of opinion emerging between retailers and manufacturers, of whom 140 are surveyed in each category. The bank has a 60 to 70 percent response rate from businesses surveyed.



Retailers indicated they had been benefitting from a flurry of pre-GST buying in August and September, and expected pre-Christmas buying to keep sales bubbling along. The number of retailers expecting sales volumes to rise over the coming year bounced back to their highest level for some time, after a dip in the previous month's survey.

A substantial majority of retailers not only expected growth, but also thought growth would be stronger than they had originally thought likely.

Manufacturers, on the other hand, were less satisfied with forward orders developing over the next year. Fewer saw growth in their sales volumes, and of those who did, fewer saw a very strong sales performance.

The bank says one possible explanation for the change was that expectations earlier in the year were being fuelled by the effects of the run-up to GST. Expectations clearly rose between March and June, when a wide range of businesses would have been gearing up for pre-GST spending, the bank says.

It would also have coincided with the boost to wage and salary earners' incomes from the last wage round feeding into consumer spending. "It may well be that expectations were lifted higher than was justified by underlying business conditions," the bank concludes.

It adds that the GST package of tax cuts and welfare benefit increases may not necessarily be the boost to the economy that has been widely expected either.

The tax cuts and extra benefits will increase the government's budget deficit to the tune of \$1000 million in 1986/87, and \$700 million thereafter in a full year. Traditionally, deficit spending of this sort has helped expand economies, but the National Bank doubts that this will happen this time if the government maintains an anti-inflationary monetary policy.

/9738

CSO: 4200/46

## NEW ZEALAND

## RURAL BANK PREDICTS LONG-TERM PROSPERITY

HK080701 Wellington THE EVENING POST in English 1 Oct 86 p 12

[Text] New Zealand Press Agency--Farmers faced the worst economic conditions in 50 years in 1985-86, with farm incomes and values plummeting, the Rural Bank said in its annual report tabled yesterday in Parliament. But the report predicted a stronger and more prosperous industry in the long term.

Several thousand farmers suffered a cash loss in 1985-86, and there had been a severe reduction in cash flows for others, the report said. Farm values, stock and other assets had fallen.

"While the downward movement in land prices has left some farmers with significantly reduced equity and others with none, it should benefit future farm purchasers by enabling a satisfactory economic return to be earned on capital investment," the bank said.

"The primary sector underwent a difficult period of restructuring. While in the short term this process is causing severe difficulties, the Rural Bank is confident that in the longer term a stronger and more prosperous industry will emerge."

The bank said continuing emphasis should be given to meeting requirements of the marketplace. This had been emphasized by a weak overseas demand for traditional agricultural commodities.

"The Rural Bank is assisting this process of change by providing competitive finance packages both on farms and to the servicing sectors.

Goats and deer were leading the move into non-traditional livestock, the report said. The deer industry was maturing, while the goat industry remained "small but dynamic." Horticulture remained buoyant, with increased output in apples and kiwifruit.

New markets for a diverse range of horticultural products were being opened with the assistance of the bank. Rural Bank loans for debt restructuring more than trebled in value last year, while loans for farm plant and machinery were down by half.

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CSO: 4200/46

NEW ZEALAND

MONEY GROWTH RATE DROPS TO 11 PERCENT

HK080659 Auckland THE NEW ZEALAND HERALD (BUSINESS NEWS) in English 4 Oct 86  
p 4

[Text] New Zealand Press Agency, Wellington--Growth in New Zealand's broad monetary aggregate (M3) is estimated to have dropped to 11 percent in the year ended July, the Reserve Bank said.

The bank said the annual money growth rate had slowed sharply from the March 1986 peak of 23.3 percent. The latest monthly figure was down from 13.6 percent in June.

Seasonally adjusted M3 declined 0.4 percent for the month of July, following an increase of 0.3 percent for June.

Private sector credit is estimated to have increased by 16.3 percent in the July year, down on the 17.9 percent increase for the June year.

The growth in seasonally adjusted private sector credit was 1.3 percent for July, up slightly on the 0.9 percent growth rate for June.

Over the year to July the narrow monetary aggregate (M1) grew by 18.4 percent slightly up on the 18.1 percent increase recorded in June last year.

New Zealand's official overseas reserves increased by \$683 million in August and stood at \$3581 million at the end of the month. The Reserve Bank also said that large finance companies received net withdrawals of \$31 million in July, compared with net deposits of \$150 million during the month.

Over the year to July, total deposits increased by 15.3 percent, down on the 20.2 percent increase in the June year.

New lending business written by large finance companies in July was \$367 million, compared with \$269 million in July 1985.

Over the year ended July 1986, total loans outstanding rose by 18.1 percent, up on the 17 percent increase in the June year.

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CSO: 4200/46

NEW ZEALAND

SIX PERCENT UNEMPLOYMENT RATE PREDICTED FOR 1988

HK140741 Wellington THE EVENING POST in English 6 Oct 86 p 21

[Text] Unemployment in New Zealand will rise to nearly 85,900 or 6 percent of the labor force in 1988, the Institute of Economic Research has predicted.

An expected immigration to net inflow would contribute to the rate of unemployment, the institute says in its National Economic Outlook which forecasts the "most likely" outlook for the economy from 1987 to 1990.

From unemployment of 64,100 or 4.5 percent of the labor force in February this year, it estimates the figures would rise to 76,900 or 5.4 percent in 1987 and peak in 1988. Unemployment was then expected to fall gradually to 83,000 or 5.7 percent in 1989 and 72,000 or 4.9 percent in 1990.

The institute says recent official statistics from the Household Labor Force Survey had for the first time provided a measure of unemployment in New Zealand which was comparable with measures for other OECD countries.

"The rates observed (4 percent of the labor force) compared extremely favorably with current international experience and could be regarded as surprisingly low given the evidence available prior to the survey," the institute says.

"These new statistics could reduce the government's fear of burgeoning unemployment and thus sustain its commitment to its Marco-economic policy stance on controlling inflation."

In making its predictions, the institute has assumed that the present economic policy thrust would continue relatively unchanged, regardless of which political party was in power.

New Zealand's economic activity, measured as gross domestic product, was expected to fall by 1.5 percent in the 1986/87 financial year.

"The picture emerging comprises gradually falling nominal interest rates and gradual recovery in private sector investment and consumer durables," the institute says.

"Expansion proper would then be set to emerge during 1988, unless there are unfavorable external shocks."

Economic expansion would accelerate in the next two years, to 4 percent growth in 1990.

The institute expects that the external balance of payments on current account would remain in deficit throughout the forecast period, but at a lower ratio of GDP [gross domestic product] than during most recent years.

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CSO: 4200/46

NEW ZEALAND

PAPER CRITICIZES ADDITIONAL DEFENSE REVIEW

HK100357 Wellington THE EVENING POST in English 4 Oct 86 p 6

[Article by defense reporter Roger Mackey]

[Text] The government did not get exactly what it wanted when it set up the Defense Committee of Inquiry. It is not going to make the same mistake with its official defense review.

For the first time, the team of officials preparing the defense review is headed by a political appointee, Prime Ministerial adviser Dr John Henderson.

On this occasion the government is making absolutely sure it will be told things that it wants to hear. For more than one reason this may be a difficult task. The first and most immediate reason is the very short time in which the team of officials and Dr Henderson have to work.

They have been working for about a month and have less than another month in which to complete the first draft of their report and present it to the prime minister.

In the past, defense reviews have taken as long as two years to complete. This was the case with the 1983 review when the National Government decided a frigate-based Navy was beyond New Zealand's means. The review was delayed while an alternative submarine-based force was studied.

There is no need for the current review, the most important since World War II, to last two years, but less than two months is a rather breathtaking leap to the other extreme. One motivating factor in the government's haste may be the difficulty it almost always encounters defending a small, isolated country, compared with the undoubtedly seductive charms of international anti-nuclearism.

The former, in which no leading members of the government had any serious interest while in opposition, is the first duty of any state. An anti-nuclear policy alone, as the Defense Committee of Inquiry argued, is not a substitute.



Parts of the review can undoubtedly be taken quite easily and quickly from previous defense reviews. These, particularly those completed in 1978 and 1983, make many statements about self-reliance and our role in the South Pacific that the government would be happy to agree with, as long as the source received minimal acknowledgment.

Indeed, so intent has been the government and the Minister of Defense Mr Frank O'Flynn, on trying to stress that its defense policy differs from its predecessor, that it has ignored--willfully or otherwise--the many areas in which it would be difficult to distinguish between itself and national.

The Navy's new tanker, and mine countermeasure equipment, for example, have both been described by Mr O'Flynn as making New Zealand more independent and capable. That they both may be, but both have also been included as desirable in previous defense reviews, the mine counter-measure equipment as long ago as 1966.

Similarly in the latest Ministry of Defense annual report, Mr O'Flynn states that, "for too long we have accepted an alliance philosophy as the be-all and end-all of defense."

To a reader of the 1978 and 1983 defense reviews it is obvious that Mr O'Flynn's statement is simply not true. Large chunks of these reviews, the source suitably disguised, might draw enthusiastic applause if read out to a Labor Party audience.

The difficulties officials writing the defense review encounter will not as a result occur in the preliminary section dealing with our general, primary defense orientation. Self-reliance has long been a priority, the South Pacific was seen as our main area of operations, and cooperation with Australia has also been stressed.

A more difficult task will be to try and establish a connection between New Zealand and the world outside our immediate region of Australia and the south-west Pacific.

In the past, ANZUS, the five-power defense arrangement between Australia, New Zealand, Malaysia, Singapore and the UK, and our battalion in Singapore have provided such a link. With the demise of ANZUS and the future of our Singapore commitment in some doubt, the link no longer naturally follows.

Yet both provided close contacts with south-east Asia and the wider Pacific region, both areas crucial to the stability of our immediate area of interest, the south-west Pacific.

The government has tried to bridge the rift created by its port ban on ships from nuclear-equipped navies by stressing that New Zealand is a western nation and keen to remain a member of the Western Alliance. This explanation is only partially serviceable.

In an often overlooked section of its report, the Defense Committee of Inquiry pointed out that New Zealand has gone further than any other country in the Western Alliance in the implementation of an anti-nuclear policy. This is in spite of strenuous efforts by the Prime Minister, Mr Lange, to convince New Zealanders that our anti-nuclear policies are comparable to those of countries like Norway and Denmark.

This is simply not the case.

In one sense, however, we have not departed from that alliance at all. Much has been made by some government ministers--Mr O'Flynn, in particular--of a nuclear umbrella. New Zealand, said Mr O'Flynn, was not interested in a defense relationship with the U.S. if a nuclear umbrella was all it had to offer us.

Presumably now that we are out of ANZUS the nuclear umbrella, in Mr O'Flynn's terms, no longer provides the shelter (dubious or otherwise) that it once did.

This viewpoint is not correct. U.S. ship visits to New Zealand were not part of a specifically South-Pacific or New Zealand nuclear umbrella.

The only sense in which New Zealand sheltered under a nuclear umbrella is the same sense in which all members of the Western Alliance benefitted from the balance provided by nuclear deterrence. If it is localized at all this umbrella is confined to Europe and the Northern Pacific.

As a result of whether you agreed or disagreed with the validity of deterrence, all members of the Western Alliance shared to differing degrees in the benefits such deterrence provided. The nuclear umbrella was not something we could choose or not choose to shelter beneath.

Whether we liked it or not, to some degree New Zealand's national interests were protected by the nuclear umbrella. This is the case if U.S. ships visit our ports. It is also the case if U.S. ships do not visit our ports. The writers of the defense review will almost certainly have to fudge that one.

Among the issues they will almost certainly not be able to avoid are the difficulties caused within our own armed forces by the New Zealand port ban and the breakdown of ANZUS.

The government and Mr O'Flynn have often repeated that New Zealand wants a more independent and self-reliant defense force. This may, given our allies' cut backs in defense cooperation, simply be a case of making a virtue of necessity. It has certainly been a goal of New Zealand Government since the early 1970s.

As the recently released Dobb report on Australian defense capabilities acknowledged, the ANZUS connection with the U.S. has enhanced the ability of nations like Australia and New Zealand to develop self-reliance and independence of action.

Some areas in which it would be formidably expensive for Australia and New Zealand to become wholly or even partly self-sufficient have been supplied to one degree or another by our larger allies. These areas include intelligence gathering and assessment, logistics and equipment manufacture. Training assistance has also been important.

Both Australia and New Zealand could go part of the way to becoming self-sufficient in these areas. The main question to be answered is whether or not we would pay the cost.

At first it appeared that this difficulty had been acknowledged by the government and there was a definite commitment, at least for a few years, to increases in defense spending.

There was a small (4 percent) real increase in defense spending last year. This year, depending on the inflation rate, spending is likely to be at exactly the same level as last year. In other words the slight increase last year has not been continued.

If this continues, the decline in New Zealand's defense capability brought about by the collapse of ANZUS will remain a goal rather than a reality.

This is partly a problem for this particular government but it is also a problem for the National Party and New Zealand in general.

[word indistinct] terms the National Government had a defense policy not unlike that of the current government, [word indistinct] Defense Committee of Inquiry commented, National failed to provide enough money for this policy to be carried out. At the moment Labor appears to be following them down exactly the same road.

The terms of reference for the defense review ask that the officials preparing it assume that "as a share of defense expenditure will remain at about present levels." [sentence as published]

Unless the New Zealand economy achieves some truly spectacular growth within the next five years, the prospects--without U.S. and UK help--of New Zealand's defense capabilities being either maintained or increased look dim.

Gross domestic product is a tricky way to measure the relative size of a country's defense spending. Australia spends about 3 percent of its GDP annually on defense. In the last decade New Zealand's spending has hovered between just over 1.5 percent of GDP and just over 2 percent.

GDP takes no account of the size of a country or strategic area to be defended. Nor does a percentage take account of the overall size of the GDP.

New Zealand's GDP is, per head of population, about 70 percent of Australia's. What New Zealand can buy in the way of equipment and the size of the overall force we can afford is rather less than it looks by just comparing the relative amount of each country's GDP devoted to defense spending.

While the land area Australia must defend is much larger than that of New Zealand, our area of prime strategic interest, the south-west Pacific, is by no means small. The differing sizes of the two countries do not, by themselves, explain the different priorities given to defense in each.

The government discussion paper on defense options released late last year ruled out any New Zealand increase in defense spending which brought us up to the percentage of GDP (3 percent) the Australians devote to defense. Such an increase was neither necessary nor likely to be acceptable, the authors of the discussion paper said.

(Of course because of the lower New Zealand GDP per head we would have to spend more than 3 percent of our GDP to get buying power--specifically for equipment built overseas--comparable to that of Australia.)

Will New Zealanders stand for an increase in defense spending? Yes and no, according to the poll conducted by the Defense Committee of Inquiry. We will accept increases, but by far the most preferred method of paying for these is by cutting other government expenditure.

The most preferred cuts were in social welfare payments, government and politicians' salaries, improvements in state service efficiency, and the substitution of paid work for unemployment benefits.

It does not take a political genius to see that, short of war--something defense and foreign policies are designed to avoid--there is little likelihood of real and sustained increases in spending, no matter which party is in power.

That fact alone makes the comparison with Australia even more interesting. After all, now that ANZUS is dead as far as New Zealand is concerned the main replacement is an increase in our already strong links with Australia.

Though this goal has been included in every defense review since at least 1972 (and was enshrined in the Canberra Pact of 1944) there has never been the political drive to achieve it. Now it is a necessity rather than simply a desirable goal.

Australia is the only other power in the region that could come anywhere near compensating for the opportunities to exercise and cooperate with larger and more sophisticated defense forces that have been lost in the last two years.

In short, Australia is to be our substitute for the ANZUS relationship with the U.S. and the older and very important UK connection.

On the face of it that move makes sense. Australia and New Zealand are seen by one another to share many of the same potential dangers and strategic advantages. There is a long history of shared sacrifice and cooperation.

The move would also open up the possibility of a defense equivalent of CER [expansion unknown], Closer Defense Relations. A little bit below this very sensible surface the complications become apparent.

Take public opinion, for example. The poll conducted by the Defense Committee of Inquiry showed that Australia was, by some distance, the country New Zealanders most preferred to be allied with.

The poll also showed that New Zealanders think Australia is very important to our security.

On the details of conflict the opinion was not quite so firm. Strong support for New Zealand participation in resisting an attack on Australia did not carry over to the use of the New Zealand Armed Forces in any conflict between Papua New Guinea and Indonesia--a conflict almost certain to also engage the Australians.

There was a similar dilemma when New Zealanders were confronted with the possibility of Australia as our only ally. This option received the same approval rating (4 percent) as the option of unarmed neutrality.

While no one would suggest that having Australia as our only ally amounts to practically the same thing as unarmed neutrality, these poll results suggest any move to strengthen our connection with Australia is a bit more complicated than the unqualified good it at first appears to be.

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NEW ZEALAND

PAPER ANALYZES DEFENSE STRATEGY, OPTIONS

HK140845 Wellington THE EVENING POST in English 9 Oct 86 p 6

[Article by defense reporter Roger Mackey]

[Text] With the breakdown of our close defense ties with the United States our closest partner in defense matters will be Australia. The implications of this change have not been clearly thought out.

One major difference is that our Australian friends are likely to be more demanding and critical of New Zealand's military efforts than our former U.S. partners ever were.

This is not because the Australians are less friendly or less willing to cooperate with New Zealand. Compared with the U.S. they simply lack the money and the military capability to take a less than strict view of New Zealand's conventional defense obligations.

While increased Australian cooperation with New Zealand will go part of the way towards plugging the gap left by the cutoff of U.S. cooperation, the gap will not be bridged completely.

Not only will a gap still exist but the increased effort on both sides will cost both countries money.

Increased Australian intelligence processing on New Zealand has already cost Australia more money. It will continue to do so. More defense exercises with Australia will add to that extra cost.

If New Zealand buys a light patrol frigate (or frigates) from Australia a price premium will have to be paid. Australian naval dockyards are not known for their price competitiveness. We would also be paying something of a premium in buying unproven ships.

These complications apply to any equipment we are likely to buy from Australia. Each item will carry some sort of premium either in terms of cost, or delivery time or, in some cases, quality control.



Two examples from the Army give some idea of how this is likely to work in the future. The recently purchased 105 mm light gun was bought from Australia at a competitive price. The premium paid on this occasion was on delivery time. Whether the competitive price will continue to hold steady over the longer delivery time remains to be seen.

Currently the Army is considering a replacement rifle, a weapon type that will have to last for 20 years or more. The two candidates are the Austrian--designed Steyr and the U.S.--designed M16. There are four manufacturing options, Australia, Austria, the U.S. and Canada.

Australia has chosen the Steyr and intends to build the rifle at its own small arms factory at Lithgow in New South Wales.

It might be both politically and militarily desirable for New Zealand to buy the Steyr from Australia.

It would be a political token (a much cheaper one than frigates) that New Zealand was prepared to meet the Australians assistance with the maintenance of our closest ally's small arms manufacturing capability might also be considered a good thing militarily for this country.

One premium on such a deal is likely to be cost. Another is delivery time as the Australian rifle program is not expected to begin until the end of 1989.

New Zealand needs 2500 replacement rifles by next year, however. A compromise could see these bought from Steyr in Austria and the remainder bought when Australia's manufacturing program begins.

This leads to another possible premium. The New Zealand rifles would probably be the first off the Australian assembly line. Would quality control problems have been sorted out sufficiently in these early stages of manufacturing?

A decision not to buy the Steyr from either Austria or Australia would not be crucial to cooperation and what is known as interoperability between the two armies. Both the M16 and the Steyr use the standard NATO round.

Overall, the Army has the most modest list of equipment that needs replacing or overhauled in the 10-year period covered by the defense review.

Apart from the rifle, there is a new light mortar already in the pipeline. Also under consideration are an improved anti-armour weapon, a replacement 155 mm medium gun and a very low-level air defense system.

Although any or all of these purchases would make tiny holes in the national defense budget compared with replacement frigates or replacement combat aircraft; the decisions to be made on them have similar implications.

This is true not just of the structure of our own Army but also of our relations with Australia.

There are legitimate arguments against all three weapons systems under consideration. The anti-armour capability is acknowledged to be unlikely to be needed in the South Pacific. Combat in other locations might also be in question. This argument also applies to the 155 mm medium gun.

One argument against a very low-level air defense system is that its acquisition could strain the capacity of a small army and divert resources from other areas.

The latter argument does not apply to either the anti-armour weapon or the 155 mm medium gun; the capability to handle both already exists or could be reactivated.

Because our Army is small, it has to tread a very fine line between maintaining a range of skills and capabilities (infantry, SAS, artillery, transport, armoured vehicles, parachutes, etc) and distorting its shape and structure by trying to take on skills or equipment that would put too much strain on its resources.

This is one reason, apart from expense, why the New Zealand Army is unlikely to see main battle tanks. Yet in some ways the Army is luckier than either of the other services. A very low-level air defense system might not have to be bought outright. The skills needed to run one could be taught overseas to a small group of New Zealand soldiers in case one had to be acquired quickly in an emergency.

The 155 mm medium gun, to give another example, would replace a gun that was allocated to a territorial unit in the Waikato. The gun could be replaced without adding any additional strain to the service.

A force that was out of balance would have similarities to a Navy without combat ships, or an Air Force without combat aircraft. The responses each could offer in troubled times would be even more restricted than at present.

If all three possibilities occurred at the same time the response the country could make would be very limited indeed.

For some lobbyists in the current anti-ANZUS and anti-nuclear argument, this is a desirable goal rather than an accidental by-product of their proposals for the New Zealand Armed Forces. Many quite seriously advocate a much smaller Army, a Navy without combat ships and an Air Force without combat aircraft.

As the group known as Scientists Against Nuclear Arms (SANA) told the Minister of Defense, Mr Frank O'Flynn, "Your task is to ensure that our defense force cannot be reintegrated with the U.S. nuclear doctrine in two, five, eight years or whenever the government loses power."

It would, as has been seen, cause major difficulties in any conventional military relationship we had with Australia.

Any possible assistance we might offer them would not only be minimal, it would make only the most marginal impact on any conflict in which they were involved.

New Zealand has considerable experience with providing forces in conflicts in which our contribution has made only a marginal difference in the outcome. This is natural given our size.

In the past, however, our forces have in most cases shared the burden of the worst parts of those conflicts. Our sacrifice has been a shared one.

We have also, at least partly because of this contribution, taken more than equal share of the benefits that flowed from the resolution of such conflicts in our favor.

Our status with the U.S. since World War II was partly based on the credit obtained as a result of our contributions in that war and in Korea.

The level of a nation's contribution also has a bearing on the use of our forces in any collective effort in a conflict. Our forces are small. In a severe conflict they could, individually and collectively be irreparably damaged in an afternoon. As the commanders of the much larger New Zealand Forces in World War II discovered, the maintenance of a national force in a very large conflict is a tricky, and dangerous business.

Any influence we might have in their disposition during a war depends largely on whether the contribution we might make is a real or token one.

A force such as that proposed by many anti-ANZUS and anti-nuclear groups also assumes that the military have little use short of warfare.

New Zealand has been involved in conflict in our recent history where parts of our forces were used in just this way. The use of the Air Force during confrontation between Malaysia and Indonesia is one such example. Another is the protest New Zealand made against French nuclear testing in the atmosphere in the 1970s.

Our former defense relationship with the U.S. and the remains of our relationship with the UK are other ways in which the range of responses our Armed Forces can make in a crisis have been expended without stretching the defense budget.

Many, many things it would be difficult to achieve alone--intelligence collection outside the South Pacific, the holding of large stocks of spares and ammunition and specialized training--were available from allies much more conveniently.

Many of these things will now either have to be done at greater expense in New Zealand or at greater expense elsewhere.

With a cap of defense spending this increases the risk of a distortion in the structure of our Armed Forces. This will mean a further decline in the range of effective responses we might make to any situation.

A lack of opportunities to exercise intensively with nations other than Australia also creates problems with the flexible use of our Armed Forces. The Australians simply do not have the resources to provide the same range of exercises and experience as did the U.S.

One of the most frequently mentioned options for extending the range of exercise opportunities available to the New Zealand forces is an increase in our contacts with Canada. The Canadians, however, are in a similar position to Australia with the added limitation--from our point of view--that they are not a power with a deep and sustained interest in our immediate region.

They are also in NATO, an organization whose members have not taken a particularly favorable attitude to the New Zealand port ban. NATO, of course, is an explicitly nuclear pact. [sentence as published]

India, another nation to be mentioned as an exercise partner, also has the limitation of not having a great deal of interest in our region. It is also a nuclear power in its own right.

Apart from the valuable command and coordination experience exercises provide, they are also a valuable test of the competence of the forces. This is particularly important for a small and isolated country like New Zealand.

The breakdown of New Zealand's ANZUS relationship with the U.S. and the U.S. suspension of their security guarantee to New Zealand also raises the question of whether we have any kind of ability to deter or deny higher level threats to our security.

The current New Zealand Armed Forces have the ability to provide deterrence and denial at a low level. If we re-affirm a bilateral ANZUS with Australia, the level of our security guarantee will rise.

It will not rise to anything like the level we enjoyed under a trilateral ANZUS with the U.S. as a full partner.

Does a formal guarantee matter? Some argue that if it were in the United States' interest we would be defended anyway. This is almost certainly correct. U.S. military activities in the mid and far Pacific have the function, as with nuclear deterrence, of providing a sort of security guarantee whether we are in or out of ANZUS.

As an argument put forward by a supporter of our past ties with the U.S. this makes some sense. As an argument put forward by anti-nuclear and anti-ANZUS groups it makes rather less sense.

What such groups seem to be saying is that in peacetime New Zealand will have a strong anti-nuclear policy, in time of threat our security is guaranteed by a nuclear superpower.

The questioner of a security guarantee is not one which has appeared to bother the public much since the collapse of ANZUS. The writers of the current defense review will not, if they are doing the job seriously, be able to take a similarly indulgent attitude.

Another issue they might be tempted to glide over is the New Zealand Army battalion in Singapore. It has in the past been an example of the use of military forces in ways short of warfare. Considerable political goodwill has been gained in the surrounding nations by our commitment. It has also been a valuable exercise and training area.

Although to some degree the training in jungle warfare could be carried out elsewhere (Fiji) it is difficult to imagine how we could generate the same degree of political goodwill in other ways.

Countries like Malaysia and Singapore have seen the New Zealand forces as a token not just of New Zealand but of Western interest and commitment to the region.

This has been recognized by the Prime Minister David Lange, who said that the battalion will stay in Singapore for the meantime--in spite of it being both Labor and National policy that the forces should return to New Zealand.

The Prime Minister's record of promises in the defense area (ANZUS retained, defense spending to rise) does not suggest that this commitment is a very firm one.

It is unusual to write a large number of words on an area of government policy without mentioning Finance Minister Roger Douglas. The cap on defense spending is as much a reflection of traditional labor thinking as anything the minister of finance might have had to do with it.

Two areas in which his thinking might make an impact are on the organization of the Navy's dockyard and the costs of the surveillance of our economic zone.

The dockyard has been most frequently mentioned in relations to shortages of skilled labor. If it gains any attention in the defense review it is less likely to be for this reason than as a possible candidate for corporatization.

Surveillance of the EEZ costs the country around \$18 million a year. There have been proposals to charge this out. The difficulty is in finding someone to charge it to, other than a transfer payment to another government department such as the Ministry of Agriculture and Fisheries.



Although moves on the dockyard, the surveillance of the EEZ and women aircrew generate plenty of ink, they are essentially sideshows in the process of completing the most important defense review since World War II.

The same would be true of moves to go beyond existing proposals to provide a unified command structure for the Armed Forces. Moves to, for example, unite the three services, would essentially be a distraction from the really difficult problems facing the authors of the defense review.

The hard issues, of course, center on our relationship with Australia. With such a short period within which to complete a defense review (under two months) it must be tempting to simply put another political spin on our existing force structure and leave it at that.

Rising demands on the forces following the collapse of ANZUS, combined with a cap on increased defense spending make that a very dangerous temptation. The hard issues will not go away.

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NEW ZEALAND

BRIEFS

FIVE-POWER MILITARY EXERCISE--Australian soldiers will join their counterparts from Britain, New Zealand, Malaysia, and Singapore for a Five-Power Defense Arrangement [FPDA] exercise in New Zealand next month. The exercise called "Kiwi Connection" will involve 37 headquarters personnel drawn mainly from the 1st Armored Regiment which is based at Puckapunyal. The command's first exercise will be conducted by (Pakepura) in the North Island between 14 and 23 October. The exercise is aimed at further developing the capability of the FPDA partners to operate together in a land environment. [Text] [Melbourne Overseas Service in English 0430 GMT 8 Oct 86 BK] /9738

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THAILAND

FOREIGN MINISTRY SOURCES DISCUSS U.S. TIES

BK071111 Bangkok LAK THAI in Thai 25 Sep 86 pp 16-18

[Article: "A Review of Thailand's Relations With the United States, an Impact on the Prem 5 Government"]

[Text] The U.S. sale of sugar at a cheap price to the PRC has caused an immediate decline in the price of sugar in the world markets. The United States sold the PRC 145,000 tons of sugar at the rate of 4.5 U.S. cents per pound regardless of the world market price at 9 U.S. cents per pound. This resulted in a drop in the price of sugar from 457 baht per bag to about 296 to 300 baht per bag at the beginning of this month. Thai sugarcane farmers are badly affected by the drop in the price of sugar because they hoped that their products would fetch a better price this year than last year. Executive leaders of various sugarcane grower federations held a meeting to exchange their views.

Sugarcane growers in the northeast demonstrated against the U.S. move. They also sent representatives to Bangkok to protest at the U.S. Embassy. They sent President of the Northeastern Sugarcane Farmers Association Sahat Udomphanit and Secretary General of the Thai Sugar Millers and Traders Association Amnuai Patise to see Deputy Commerce Minister Prachuap Chaiyasan to appeal for an immediate action by the government to solve the sugar problem.

At the cabinet meeting on 9 September, the cabinet gave priority to discussion over U.S. dumping of its farm products. Over the past 2 years, the United States introduced new regulations and legislations which adversely affected a large category of Thai exports such as canned tuna fish, textile, rice, sugar, and corn. The U.S. dumping policy has caused price slump to those products. The cabinet assigned the Foreign Ministry to review relations with the United States and to take diplomatic measures to appeal to the United States to refrain from practices affecting Thailand's trade. Meanwhile, it assigned the Commerce Ministry, the Agriculture and Cooperatives Ministry, the Industry Ministry, and the Finance Ministry to map out steps to be taken to help affected Thai manufacturers and exporters.

Concerning relations with the United States, a source at the Foreign Ministry disclosed that the steps taken are continued from the previous government. In

wake of the Farm Act, high-level authorities met in order to discuss adjusting the policy with the United States, with other powers, as well as with Thailand's neighboring countries which have different social systems. Some proposals made were opposed by senior officials in charge of national security.

In the present government, on 3 September the Foreign Ministry permanent secretary summoned U.S. Ambassador to Thailand William A. Brown for a meeting to inform the latter of the damage caused to Thailand by the U.S. sugar dumping and price cutting. The ambassador took all the data presented to him and said he would forward the matter to the U.S. Government immediately.

Following the enforcement of the U.S. Farm Act, U.S.-Thai relations have been on the worst decline since the two countries established relations, even worse than during the "Mayaguez incident" 10 years ago during the premiership of M.R. Khukrit Pramot which led to a widespread protest and eventually the closure of U.S. military bases in Thailand. The source at the Foreign Ministry cited Thailand's vote at the UN Security Council's session supporting condemnation against U.S. raid on Libya, saying Thailand's vote was decisive in making the motion pass. The Reagan government protested Thailand's decision. In fact, the U.S. Government did not believe that Thailand which is its staunch ally would make such a bold decision.

Explaining about the change in Thailand's foreign policy, a source at the Foreign Ministry said: "Although the Reagan government tried to justify Thailand's decision by taking into consideration the over 30,000 Thai workers in Libya and although Thailand itself referred to the Thai workers as the reason in addition to its concern for support from other countries for Thailand's opposition to Vietnam's occupation of Cambodia and Vietnam's use of force in contradiction to the UN Charter, deep down, both the United States and Thailand realized that the strain in their bilateral relations stemmed mainly from U.S. policy on trade." Despite the fact that Thailand declared that neutrality is its foreign policy, this is the first time that Thailand has really proved that the country is truly neutral in international politics.

Meanwhile, a high-level source at Government House pointed out that the appointment of Squadron Leader Prasong Sunsiri, secretary general of the National Security Council, as secretary general to the prime minister is another major step in Thailand's adjustment of its foreign policy, especially with regards to the Soviet Union, Vietnam, Laos, and Cambodia. In the past, any move to forge closer relations with those neighbors with different ideologies would come under obstruction from Squadron Leader Prasong who feared complications for national security. The source noted that immediately after assuming responsibility at the Foreign Ministry, Air Chief Marshal Sitthi Sawetsila approved a move to expand trade with Laos.

Besides the three neighboring countries, the Soviet Union is another target of Thailand's move to improve relations. Besides being the rival power of the United States, the Soviet Union is also a big market for Thailand's exports.

The country always suffers trade deficits with Thailand. The improvement of relations with the Soviet Union may indirectly help to reduce Vietnam's influence in Cambodia. Moreover, the Soviet Union and China are moving towards improving relations too. There is therefore no reason for Thailand not to make a move to improve relations with the Soviet Union.

The Prem 4 government survived an attempted takeover by another source of power in the Army thanks to strong support it received from the U.S. Government. President Reagan himself sent a message supporting Prime Minister General Prem Tinsulanon and Thailand's Government leader. After the 9 September 1985 incident, the U.S. Government declared that it only recognized the government headed by Gen Prem. The U.S. support both stated directly by the Reagan government and through the embassy in Thailand constituted an important factor in forcing Prem's opposition to revise its plan and abandon the idea of overthrowing the Prem 4 government.

Some people noted the spate of activities of U.S. Ambassador to Thailand William A. Brown in the wake of the formation of the Prem 5 government. In 1 week, he met three Thai economic ministers, namely the industry, communications, and agriculture ministers. The purpose of the visit was to make proposals aimed at protecting U.S. interests in Thailand--the United States was unhappy with Thailand's request that its oil and gas company reduce the prices of its products, and the United States wanted U.S. companies to get special treatment in bidding for Communications Ministry projects. In the past, Japanese and European companies have always won the bids.

Ambassador Brown also met high-level officials at Government House and ministers attached to the Prime Minister's Office. The move has drawn widespread criticism. It reflects the U.S. concern of its interests in Thailand. By showing off the importance it gives to Thailand as a friend and ally, the United States was only telling the Thai Government not to allow U.S. interests to be affected.

The House of Representatives, meanwhile, raised the problem of U.S. sugar dumping for study. The motion was proposed by Progressive party leader, Uthai Phimchaichon, who is a leading opposition figure. The House finally voted unanimously to have House Speaker Chuan Likphai write a letter to his U.S. counterpart Thomas O'Neill, asking for a review of the U.S. sugar policy. The united move of the government and the opposition on this matter has worried the U.S. ambassador because it hints toward a shift in foreign policy of the Thai Government.

A source at Government House disclosed that several pressure groups, including farmers, workers, and students are planning protests against U.S. trade protectionism which has created problems to Thailand's exportation. The government, he said, has no hand in such a campaign, but U.S. authorities might misunderstand and think the campaign is supported by the government.

A source in the government's team of advisers noted that the sugar problem and relations with the United States are major tests which the government must try

to work out very carefully as it has the interest of both the opposition in the parliament as well as the government itself. The matter also involves Thailand's foreign policy. If the government achieves success at the GATT meeting in Uruguay scheduled for this month, or directly with the U.S. Government and the United States does not release more sugar and corn from its stocks for the time being, the opposition would also stand to benefit from that success as well. Anyway, the government's move would not please the U.S. Government or its private sector. Therefore the government stands to lose U. S. support that the previous Prem government enjoyed.

If it fails to solve the sugar and corn problems, the government will certainly face stronger attacks from the parliamentary and nonparliamentary opposition. Two government intelligence units anticipate that if the sugar problem is not solved, the government will have a hard time trying to keep protesting farmers under control because only some of them listen to cabinet ministers in the coalition government while others, especially those in the east, are listening to the opposition. Coincidentally, the minimum wage problem is looming up and exposing the government to more attacks from the opposition.

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CSO: 4207/13



THAILAND

PUBLISHER SEES U.S. AS EXPLOITER, 'DEVIL IN DISGUISE'

BK071006 Bangkok LAK THAI in Thai 25 Sep 86 p 58

[Editorial by Rattana Yawapraphat: "The Thai-U.S. Relations"]

[Text] Since the defeat of the Axis countries led by Germany and Japan at the end of World War II, the United States has obviously been playing its important role in Thailand. Thailand has to honor the United States as if the latter were its stepfather because of its helping hands stretched out to save Thailand from the British pressure to make the country a war criminal with the obligation to pay a war debt in the form of hundreds of thousands of tons of rice. During the war, the Free Thai Movement in the United States headed by the then Thai ambassador to that country refused to recognize the declaration of war on Britain and the United States by the Phibunsongkhram government on the grounds that the Thai Government was under the pressure of the occupying Japanese troops.

It was the naivete of the Thai people and government that the United States was allowed to use Thailand as its major base to penetrate into East Asia and Southeast Asia which were then under the influences of Britain, France, and the Netherlands. The United States also proceeded from Japan, which was forced to surrender unconditionally, to the then troubled China. As the Communist Party of China was receiving support from the Soviet Union, the United States supported the Kuomintang with a hope that if the Kuomintang won, it would be able to expand its trading area tremendously.

The United States has been keeping Thailand under its thumb. All of Thailand's internal and external policies including the inflexible anticommunist one were drawn up with major guidelines from the United States. When the Kuomintang forces were defeated and had to flee Formosa, later known as Taiwan, Thailand then adopted an openly hostile attitude toward the Chinese communist government. One government after another such as those of Pridi Phanomyong and Field Marshal P. Phibunsongkhram (who secretly maintained contacts with Maoist China and reportedly was a more intimate friend of China than Pridi Phanomyong) was toppled due to its leaning toward China. Eventually, Thailand was ruled by the government of Field Marshal Sarit Thanarat, an obedient servant of the United States. Field Marshal Sarit himself visited the United States two or three times and was once admitted into the U.S. Walter Reed Hospital. It was during that period that the United



States set up its military bases in Thailand to assist its military operations in Indochina. The United States, however, lags behind Great Britain and France by many centuries in its knowledge about the peoples of Southeast Asia. This is why it was defeated in every battlefield in Laos, Vietnam, and Cambodia. As a result, Thailand has been shouldering the heavy burden of sheltering hundreds of thousands of refugees from Vietnam and Cambodia.

Although the United States has been in an advantageous position and can treat Thailand as if the latter were its slave, the United States is still unsatisfied with its status quo, and therefore relentlessly continues to exploit Thailand. Through U.S. agencies and organizations, as well as those of the United Nations, the United States has sent its officials here to force Thailand to accept its culture so that it will be able to conveniently dump its surplus goods in this country. At the same time, the United States has also dominated the Thai military by providing gratis aid to Thailand at the initial stage and then sending arms dealers to sell weapons to the three armed forces. Consequently, Thailand has unnecessarily incurred debts of hundreds of thousand million baht for having purchased war weapons on a credit basis.

Although it was already too late before we realized what mistakes have been made, some clever people have been thinking of ways to remedy the situation. Efforts were made to increase efficiency of the Thai population and improve the quality of our consumer goods and agricultural products during the past decade so that they can earn more foreign exchange to heal the country's handicap. Unfortunately, the United States has not yet discarded its intention to persecute Thailand further. The U.S. Congress has passed all kinds of trade protectionist laws against Thai products while the United States releases its cheap products from its stocks into the markets thus preventing Thailand from selling its goods.

The United States under President Reagan, former cowboy movie star, has been clamoring about the protection of human rights and making loud noise over any violation of human rights. Everybody wonders who the human rights advocate, United States, consistently undermines Thailand's human rights and why it has no respect for human rights of Thailand so Thailand will be able to survive in the capitalist society. [sentence as published] The fact might be that the United States under Reagan is newborn devil in disguise of a saint who can bully even a defenseless child.

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CSO: 4207/13

THAILAND

EDITORIAL EXPECTS MORE SRV INTRUSIONS, ATTACKS

BK091130 Bangkok SIAM RAT in Thai 8 Oct 86 p 8

[Editorial: "Beware of the Border Problems"]

[Text] The Vietnamese-Heng Samrin soldiers have reportedly been clearing landmines and obstacles from certain parts of the Cambodian border with Thailand. Thai military sources in Aranyaprathet District anticipate that they are preparing for future unknown maneuvers, possibly another intrusion into Thai territory to annihilate Cambodian refugees because they regard the latter as supporters of the three resistance fractions now fighting against the Heng Samrin regime in Phnom Penh.

During the past few years, the Vietnamese-Heng Samrin soldiers have employed new suppression tactics against the three resistance forces by fortifying their outposts and launching attacks on their opponents all year round. Subsequently, the resistance forces have also readjusted their strategy. Instead of sticking to certain areas, they have turned to guerrilla warfare. By doing so, the resistance forces are no longer in an offensive position nor can they hold any particular areas under their control.

As the war in Cambodia drags on, Vietnam and the Heng Samrin regime have been implementing their demographic strategy by bringing Vietnamese nationals into Cambodia and resettling them in fertile areas. The plan of Vietnam is to permanently occupy Cambodia.

Although it is now rainy season, the Thai side should closely observe the movements of the Vietnamese-Heng Samrin soldiers since they might attack the refugee camps on Thai soil any day. If we do not prepare ourselves for such an eventuality, property and life of the people in the border areas will be greatly jeopardized.

While we are alert against possible new invasion by the Vietnamese-Heng Samrin soldiers, we should also pay attention to the case of the journalists for the NORTHERN TERRITORY NEWS and FAR EASTERN ECONOMIC REVIEW--David Nason from Australia and Robert Karnoil from Canada--who travelled with Khmer Serei troops as deep as Tonle Sap inside Cambodia. This matter might seem unimportant; but who would be held responsible if something had happened to them.

The Thai Government should make it clear that the two journalists went inside Cambodia on their own. Normally, the Thai military informs all journalists that travelling inside Cambodia can be very dangerous.

However, as an open democratic country, Thailand is willing to help the two journalists on humanitarian basis. No one should blame Thailand for any mishap in this regard since Thailand has never launched any aggression against any country nor has it ever occupied territory of any country. Those countries which are trying to accuse Thailand of having interfered in internal affairs of the others are themselves the true aggressors and colonialists.

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CSO: 4207/13

THAILAND

CHINA WANTS TO SELL MORE DIESEL OIL

BK091033 Bangkok THAI RAT in Thai 10 Oct 86 p 9

[Text] According to Norawat Suwan, deputy director general of the foreign trade department, he has held discussions with the PRC Embassy's commercial counsellor on China's request for Thailand to buy an additional 200,000 metric tons of high speed diesel oil this year. The Chinese side claims that in terms of value, its purchases of Thai agricultural products exceed Thai purchases of its oil.

Norawat said the 1986 Thai-Chinese trade protocol calls for \$350-400 million in bilateral trade and that Thailand's target for diesel oil purchases from China is between 300,000 and 500,000 metric tons. Thailand has already bought 300,000 metric tons this year and has agreed to buy a further 100,000 tons as against the 200,000 tons proposed by China.

Norawat said a problem has arisen over China's inability to specify delivery dates for the 100,000 tons of diesel oil because failure to deliver the amount this month will affect the Thai Petroleum Authority's oil reserve plans. The authority will have to buy from the spot market if China cannot supply the amount. The Chinese commercial counsellor has, however, promised to provide him with an answer on this matter as soon as possible.

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CSO: 4207/13

THAILAND

AUSTRALIAN LEGISLATURE MEMBER VISITS COUNTERPARTS

BK091150 Bangkok Domestic Service in Thai 1300 GMT 8 Oct 86

[Text] Peter Cleeland, member of the Australian House of Representatives from Victoria State, and his party held consultations with the House Commission for Foreign Affairs at the commission's auditorium inside the National Assembly building this morning [8 October].

Peter Cleeland informed the commission that members of the Australian House of Representatives want to further improve relations between the national assemblies of the two countries and that Australia will continue to take refugees from Thailand for resettlement in that country. Australia currently takes about 5,000 refugees from Thailand annually. At the same time, Australia will seek a political solution to the problem in Indochina through peaceful means.

The House Commission for Foreign Affairs also agreed that parliamentary relations between the two countries should be further developed. The house speaker himself has a policy to establish parliamentary relations with other countries. It expressed satisfaction over cooperation between Thailand and Australia at the meeting of the four agricultural producing and exporting countries in seeking ways to relieve the impact of protectionist measures against agricultural products imposed by developed countries and major powers.

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CSO: 4207/13

THAILAND

COMMERCE MINISTER SURAT SURVIVES NO-CONFIDENCE VOTE

Open Ballot Adopted

BK090602 Bangkok Domestic Service in Thai 0530 GMT 9 Oct 86

[Text] The House of Representatives held a meeting to vote on the urgent no-confidence motion against the commerce minister. Debates on the motion were held yesterday. The meeting voted 120 in favor of the commerce minister; there were 109 no-confidence votes, while a number of MP's abstained.

House President Chuan Likphai, who presided over the meeting, said per constitution, a minister will be voted out of his position if no-confidence votes exceed half of total number of MP's--174 votes.

According to a Public Relations Department correspondent, media reporters gathered in large number this morning to report on the house meeting and Parliament officials had to answer questions of people about the result of the meeting. The meeting began at 0955, a slight delay from the scheduled opening to wait for the number of attendants to reach quorum. The meeting began when the quorum--177--was reached. After the meeting started, Buntheng Thongsawat and other opposition party leaders submitted a letter to the president of the meeting calling for a secret ballot but his move was opposed by government MP's. Meeting regulations call for one-third support from the attending MP's and 107 votes supported open ballot, which was therefore adopted. Balloting was conducted by hand counting.

The session proceeded to other topics on agenda after the voting was completed.

Officials on Issue, Coalition

BK110436 Bangkok Domestic Service in Thai 0000 GMT 11 Oct 86

[Text] Deputy Prime Minister General Thianchai Sirisamphan said the no-confidence motion against the commerce minister was a political incident, noting that differences in opinions can take place even in a family or a political party, and parties in the coalition government are no exception. The deputy prime minister believed that the parties in the coalition will be able to reconcile for the sake of the government's stability because if the government lacks stability, Thailand's economy, investment, and tourism will be affected. Stressing the significance of the government's stability to the country and people, Gen Thianchai said:



[Begin Thianchai recording] We must try to compromise to maintain the government's stability. I believe that the Thai people want a stable government. Every Thai, a compatriot, must help as much as he can. A fire might be there. Each of us should help put out the fire for the benefit of our country. We should not feed it. I want to see every one of us compromise and help create unity within our country. It is the duty of every Thai citizen to create such an atmosphere. [End recording]

Communications Minister Banhan Sinlapa-acha said that the four political parties are not at rift. They are united and ready to cooperate with each other to work. They can compromise to settle the problem. He said he had talked with Police Captain Surat Osathatnukhro, deputy leader of the Social Action Party [SAP], who reaffirmed to him that there will be no political revenge in this regard. The problem arose from differences of opinion, and now all parties have already reached an understanding. Commenting on cooperation among the four political parties in the government, Banhan said:

[Begin Banhan recording] Before the four political parties joined to form the government and invited His Excellency General Prem Tinsulanon to take the premiership, we agreed that should we encounter any difference of opinion, we would hold consultations and try to settle it. When we formed the government, we wanted it to last as long as possible to administer the country's affairs. Regarding the no-confidence motion against the commerce minister, after the commerce minister testified in Parliament, the Chat Thai, Ratsadon, and Democrat Parties opined that the commerce minister has the legal power to approve imports of logs from Burma. However, besides approval from the minister, importers are also required to produce certification to the Customs Department proving that logs they intend to bring into Thailand have their origin in Burma. If they cannot furnish the certification, they cannot import the logs. The accusation that the commerce minister might have practiced corruption in this deal therefore cannot be substantiated. There is no evidence to prove that. For this reason, we voted in favor of the minister. The problem arose when some 50 Democrat Party members who attended the party meeting on Wednesday night seemed to have agreed to vote against the commerce minister. However, some members protested that more members should be present during the deliberation of such an important issue. The Democrat Party then had to solve the problem.

On the morning of the following day, the Democrat Party held another meeting during which members agreed to abstain from voting. The Chat Thai and Ratsadon Parties believe that the Democrat Party has done its best. In any event, the result of the vote was good enough--120 votes for and 109 against Minister Surat. To oust the commerce minister, the opposition must have more than 175 votes. I would like to inform you that the matter has now ended.

The four political parties held a meeting and agreed that there is no rift among them. We will cooperate with each other to carry out many pending undertakings such as the draft budget bill for fiscal year 1987 now being considered by the Parliament, the Eastern Seaboard Development Project, and schemes to solve the problem of low paddy prices. I want to tell you that the four political parties are united and intend to consolidate their forces so that the government can work in accordance with the policy statement which the

government has presented to the Parliament. We have agreed that we will try to compromise so as to create unity among ourselves. Some opposition MP's even said that the whole matter has come to an end and that we should concentrate on efforts to solve the country's problems. This is the fact. I want to tell you that there is no rift whatsoever. The four political parties will continue to work together. [End recording]

Meanwhile, Banyat Banthaththan, minister of science, technology, and energy, said there will be no problem between the Democrat and Social Action Parties because the abstention in the no-confidence vote is not a sign of no confidence. The Democrat MP's might not be satisfied with the commerce minister's explanation. However, since the no-confidence motion was not against the SAP, the issue should not cause any problem which would make it impossible for the two parties to remain in the same government. He did not believe that the no-confidence incident would bring about any serious problem between the two parties. Some people are concerned that the government will break down. The matter is not of any concern at all. Banyat, who is also deputy leader of the Democrat Party, said:

[Begin Banyat recording] I have to admit that the incident has caused considerable confusion. Some even fear that the government will not survive and that the parties in the coalition, in particular the SAP and Democrat Party, will split. I do not believe that the problem is that serious. Of course, some SAP members might be disappointed and wonder why the Democrat MP's failed to raise their hands for the commerce minister since they are also on the government side. Politicians and political parties understand this problem. It is not the rule that if we are with the government, we must raise our hands to support the government in all cases. Otherwise, we, in the legislative branch will not be able to do our duty in controlling the performance of the administrative branch. Certainly, we must support the government as much as we can.

After the meeting on that day, some members said that the commerce minister had failed to clearly disprove the opposition accusation. We did not feel that we could raise our hands to support him. However, some people in our party are satisfied with his explanation. So, we argued and discussed the matter. Eventually, the majority ruled that we should not vote in his favor. The SAP is fairly big political party and has many experienced politicians who can understand such a problem. I wish to confirm here that the problem is not so serious that we have to split apart the coalition. We made it very clear that the resolution we adopted during the meeting on that day would be applied to the no-confidence motion against the commerce minister, an individual person, not the SAP. They seemed to understand. [End recording]

Regarding the political situation following the no-confidence debate in the House last Wednesday, Michai Wirawaithaya, spokesman for the prime minister's office, said:

[Begin Michai recording] The prime minister himself expressed deep concern over the issue during the evening of the House session and was informed of the developments every 10 minutes. After the session, he met with political leaders to ask their opinion. In brief, we can say that all parties understand each other. It is believed that the matter will be discussed during the meeting of the Parliamentary Coordinating Committee on Monday. [End recording]

31 October 1986

## Statements by Party Leaders

BK141000 Bangkok Television Service in Thai 1300 GMT 12 Oct 86

[Recorded statements by Chat Thai Party Secretary General Banhan Sinlapa-acha, and acting leader of the opposition Muang Chon Party Chaloe Yubamrung on the stability of the government following the 9 October no-confidence debate against Commerce Minister Surat Osathanukhro of the Social Action Party--date and place not given]

[Text] [Begin Banhan recording] The Democrat Party's abstention was a good decision. I agree with it. There were 120 votes of confidence and 109 votes of no-confidence. This is fair. There must be more than 175 votes if they want to oust the minister. Well, we may think that from now on the Social Action Party and the Democrat Party can no longer work with each other, and that they will only think of taking revenge. Well, I do not think that is how it will happen. I have met and talked to Deputy Prime Minister Phong [Phong Sarasin of the Social Action Party], Surat himself, and other leading members in the Social Action party. I have also talked with many in the Democrat Party including its deputy leaders such as Banyat [Banthatthan], and Lieutenant Colonel Sunan [Khachonprasat]. Those in the Social Action Party told me that there is no such feeling and that the party does not plan to withdraw from the government. The party held a meeting and decided not to withdraw from the government. We will try to consolidate the stability of the four-party government which will march ahead. I am happy with the outcome. Meanwhile, the Democrat Party told me that there is nothing serious in its move. It represents a different line of thinking. We have finally found the best way out. [End recording]

[Begin Chaloe recording] The move taken by the opposition parties' move was a political procedure open to them under Article 137 of the Constitution. Politicians can seek a no-confidence debate against the entire cabinet or an individual cabinet minister. What the opposition has done was meant to check the minister, whether his performance was right or wrong. Sometimes the opposition misunderstands and judges the government incorrectly. This is an opportunity for the opposition to seek clarification from the government. [End recording]

[Begin Banhan recording] We must realize this and not allow debates over the various bills introduced to the Parliament to create rifts among us. If we can agree on this, there will be no problem about the government's stability. What I would like to emphasize is how difficult it was for us to form a government. It took us 5 days of negotiations before reaching an agreement, to a certain extent, to form a government. Once the government is formed, we should try our best to make it survive by adhering the principle of compromise and solidarity. We should not approach each other with pride. I do not mean only the present government. It is the same with the future or the past governments. If political parties approach each other with pride, they can easily bring down the government for an end. But if they adhere to the principles and the feeling of compromise, they will help the government to fare through all problems. Well, I would like to assure you now that we have talked over the issue and all is settled. We have reached understanding and we agree to uphold unity. [End recording]

Editorial Comments

BK101459 [Editorial Report] Three Bangkok dailies in Thai: NAEO NA, SIAM RAT, and MATICHON, on 10 October 1986 carry editorials on Commerce Minister Surat Osathanukhro surviving a no-confidence motion in Parliament over his controversial decision permitting the import of logs of unknown origin from the Burmese border.

The page 3 NAEO NA editorial, entitled "Political Etiquette," notes that "the Democrat Party did the right thing" to instruct its MP's to abstain from voting in support of the commerce minister, instead of opposing him as previously planned, because it felt that the minister could not effectively rebut the opposition's charges. "It is good political etiquette to uphold national interests and justice. It would be unethical to always protect cabinet ministers belonging to coalition parties whose actions contradict government policies and are suspicious."

Continuing, the editorial says the 120 to 109 failed no-confidence motion margin "should make the commerce minister consider if he should show good political etiquette in some way." However, the editorial also says the Social Action Party [SAP] would "lack political etiquette if it chooses to pull out of the coalition government just because its minister did not have the support of another coalition partner," because to do so would show that it did not have the interest of the country in mind.

The page 8 SIAM RAT editorial, entitled "Warning to the Democrats," says by choosing not to support the commerce minister, who belongs to a party which is its partner in the coalition government, in the no-confidence motion, the Democrat Party has done something unprecedented. The party's action "lacks etiquette which coalition parties should have. Such parties must support the government in every possible way. By its action, the Democrat Party should withdraw from the coalition government because more government administrative problems are certain to arise as the result of lack of confidence from other coalition partners."

Concluding, the editorial says: "The Democrat Party is one of the few political parties people respect. If it does not repair its image soon the already unstable political system could deteriorate further."

The page 6 MATICHON editorial, entitled: "Surat Osathanukhro's Case: A Bomb Under Prem's Seat," says the Democrat Party's decision to abstain from voting in the no-confidence motion against Social Action Party Minister Surat shows that many Democrat MP's have declared themselves rivals of party chief Phichai Rattakun, who was abroad at the time because their abstinence could only make Phichai lose face. The abstinence also proves that conflict between SAP and the Democrat Party is real. "Prime Minister General Prem should earnestly study the Democrat Party's action, because disregarding it would be tantamount to planting a time bomb that will split the Democrat Party and coalition parties and in the end erode and destroy government stability."

The MATICHON editorial also says the commerce minister and his SAP can hardly overlook the minister's survival margin. "At the minimum the commerce minister should resign and a stronger action would be for the SAP to reconsider its role as member of the coalition government which has the Democrat Party as the major partner."



THAILAND

DAILY VIEWS INTELLECTUAL PROPERTY RIGHTS ISSUE

BK130923 Bangkok NAE0 NA in Thai 13 Oct 86 p 3

[Editorial: "Do Not Become Colonized by Intellectual Property"]

[Text] Trade discrimination activities appear in both direct and indirect forms including their use by developed countries as bargaining chips for the developing countries to recognize and protect intellectual property rights. This is especially true in developing countries which rely on the trading powers as markets for their export products because of the latter's superior buying power and reliable payment system.

Thailand is no exception and has since 1985 been a victim of direct trade discrimination--first textile exports and, after that issue was resolved, agricultural and industrial exports. And ever since the United States has earnestly tried to commit Thailand to recognize protection of intellectual property rights, such as drug, biotechnology and other patents.

The country's trade administrators have indicated that U.S. intellectual property rights may be recognized in exchange for special trade privileges or exclusion from trade discrimination measures. They cited as a reason that Thailand receives from 2 to 3 billion baht worth of GSP a year from the United States, making it necessary to accept the U.S. conditions or to join the World Intellectual Property Organization.

A thorough consideration is needed before agreeing to recognize intellectual property rights in exchange for special trade privileges or anticipated ability to trade freely without discrimination. In particular, special consideration must be given to the long-term consequences that could deprive the country of any ability to use new inventions because it would have to pay patent royalties, which by then could exceed the 2-3 billion baht we received in special trade privileges. In any event, the 2-3 billion baht in special trade privilege value is only a small proportion of our overall export capability.

We totally disagree with rushing into a decision which will commit the country in this matter. The country can just use continued diplomatic delaying tactics to indicate that we would recognize intellectual property rights. If necessary, we can recognize only items which have the least effect by appointing committee after committee to consider the matter. The Thai bureaucracy is famous for making things complicated and should just as well make good use of it.

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CSO: 4207/13

THAILAND

BRIEFS

**OUTGOING SFRY AMBASSADOR**--On 3 October SFRY Ambassador Ismet Redzic paid a farewell call on Prime Minister General Prem Tinsulanon at Government House on completion of his assignment in Thailand. [Excerpt] [Bangkok Domestic Service in Thai 1300 GMT 3 Oct 86 BK] /9599

**GLUTINOUS RICE SALE TO LAOS**--According to the commercial attache of the Thai Embassy in Vientiane, this year Laos has brought 9,900 metric tons of Thai glutinous rice worth about 47 million baht. It wants to buy another 7,000 metric tons at around \$172 per ton. [Summary] [Bangkok SIAM RAT in Thai 4 Oct 86 p 7 BK] /9599

**UK DEFENSE CHIEF VISITS**--On 8 October Sir John Fieldhouse, visiting chief of the UK defense staff, called on Defense Minister Air Chief Marshal Phaniang Kantarat. They discussed Southeast Asian situations. Earlier he paid a courtesy call on Admiral Supha Khotchaseni, Thai supreme commander. The UK visitor is visiting Thailand from 7-10 October as guest of the Thai Supreme Command. [Summary] [Bangkok Television Service in Thai 1300 GMT 8 Oct 86 BK] /9599

**COMMERCE MINISTER ON RESIGNATION**--Commerce Minister Police Captain Surat Osathanukhro said before leaving for Iran last night that he regards as personal views the comments that he should resign from the cabinet. He said he had no comment to make, but he considers that any government change at present as a result of his resignation would disrupt the performance of the newly formed government and is therefore inappropriate. On his trip to Iran, the commerce minister said the purpose is to promote bilateral trade. [Begin Surat recording] Iran had a spell of drought this year. I think we should offer the country our agricultural products. [End recording] [Text] [Bangkok Television Service in Thai 1300 GMT 12 Oct 86] /9599

**CAMBODIAN BORDER SITUATION**--According to the Supreme Command Information Office, in the past week Vietnamese troops and weapons were moved up to augment Vietnamese units positioned along the Thai-Cambodian border. In Cambodia, CGDK guerrillas attacked and sabotaged major Vietnamese installations in many areas, inflicting some damage. Shells from Vietnamese heavy weapons landed in Ta Phraya District, Prachin Buri Province, Pong Nam Ron District, Chanthaburi, and the central district of Trat Province. A total of 23,415 Cambodian illegal immigrants are now at the Khao I-dang and the Ta Phraya centers, while a further 264,990 Cambodians who fled from the fighting in their country are currently sheltering along the Thai-Cambodian border. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 13 Oct 86] /9599

CSO: 4207/13



MILITARY AFFAIRS AND PUBLIC SECURITY

VIETNAM

FIVE CONVICTED IN HO CHI MINH CITY BRIBERY CASE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 10 Aug 86 p 1

[Article by "Q. N.": "Trial of People Who Arranged and Accepted Bribes"]

[Text] A gang of people who were "middlemen in arranging bribes and obtained people's property by trickery and thievery," made up of Nguyen Dinh Tham, Nguyen Viet Nga, Nguyen Minh Quang, Mai The Bien, and Nguyen Huu Doan, were tried by the Municipal People's Court on the morning of 8 August 1986.

Nguyen Thi Hien, of 82/1 hamlet 4, Binh Tri Dong village, Binh Chanh District, was caught by the public security police in the act of possessing, selling, and injecting heroin on the morning of 24 May 1985. Nguyen Dinh Tham (Hien's father), requested Nguyen Minh Quang, a worker at Frozen Maritime Products Enterprise No 3, to arrange a bribe so that Hien could be released. Quang introduced Tham to Nguyen Viet Nga, employed by the same organ, because Quang knew that Nga was acquainted with many public security cadres. Nga, Quang, and Tham discussed ways to obtain Hien's release, then Nga contacted Mai The Bien, a former public security policeman who had been dismissed. Bien went to the Detective Bureau of the Municipal Public Security Service to meet with Nguyen Huu Doan, the person who was prosecuting Hien's case. Doan agreed to help Bien for the price of 40,000 dong (old money).

After reaching agreement with Doan, Bien and Nga demanded that Nguyen Dinh Tham give them 300,000 dong (old money). Tham refused, and only agreed to pay them 150,000 dong after Hien was released. On the morning of 17 October 1985, Doan and Bien informed him that Hien had been released. Tham and two of his daughters took 150,000 dong to Frozen Maritime Products Enterprise No 3 and gave the money to Nga. Nga gave Bien 100,00 dong, gave Quang 10,000 dong, and kept the remaining 40,000 dong. After receiving 100,000 dong, Bien gave Doan 40,000 dong.

The Municipal People's Court gave Nguyen Dinh Tham a suspended 3-year prison term and received prison sentences of from 14 months to 30 months. Nguyen Huu Doan was sentenced to 2 years in prison. The defendants were fined 15,000 dong in new money.

5616

CSO: 4209/857

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BUDDHIST CRITICIZES U.S. 'INTERPLANTARY WAR' PLAN

OW110935 Hanoi VNA in English 0704 GMT 11 Oct 86

[Text] Hanoi VNA Oct 11--"Vietnamese Buddhists are well aware of their responsibility to contribute to the common struggle of the world people to make the 21st century one of peace and friendship," says the most venerable Dr Thich Minh Chau, president of the Vietnam Buddhist Sangha and president of the Vietnam ABCP [Asian Buddhist Conference Peace] Centre, in an article published by the paper NHAN DAN recently.

The article goes on:

"After long years of atrocious war, the Vietnamese people have regained peace and freedom, although this peace is far from complete. Conditions have been created for the people to rebuild the country, improve their life and exercise mastery over their destiny.

"Just to see the children happily going to school and we will perceive so much of the new hope that is rising in all hearts, the hope that they will enter the 21st century with plenty of happiness, in the cooperation among nations, in a world of love and tolerance, a world without wars and mutual killings. [sentence as received] Instead, all energy will be given to science and the exploration of nature in service of each and everyone in society.

"But the danger of war is still there. The world is before the danger of a total extermination by nuclear weapons. U.S. imperialism is planning not only a nuclear war on earth but also an interplanetary war.

"Peace and cooperation are the overriding trend of our times. We need to turn the possibility of peace into a real peace on our planet.

"Buddhism is a religion of love, an enlightened love that can distinguish good from evil and tends to securing happiness of all in line with Buddha's teaching: 'To serve mankind is actually to worship Buddha'.

"Buddhism is not a doctrine of pessimism. It is a philosophy of action. Vietnamese Buddhism is closely associated with the national tradition.

Many ethical principles of the nation are similar to or deeply influence the Buddhist ethics propagated in Vietnam. The Vietnamese Buddhists have always striven for the independence, freedom and happiness of the nation. Today they are putting into practice the slogan 'Buddhism, nation and socialism'."

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CSO: 4200/43

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

SRV DELEGATE SPEAKS AT UN ECONOMIC DEBATE

OW120849 Hanoi VNA in English 0710 GMT 12 Oct 86

[Text] Hanoi VNA Oct 12--"Developing countries are victims of hostile policies of imperialism which has resorted to economic embargo and trade blockade to bring pressure to bear upon them and compel them to renounce its chosen way of development," said Vietnamese Ambassador Bui Xuan Nhat, acting head of the Vietnamese permanent mission to the U.N., at a U.N. economic debate on October 9.

Ambassador Bui Xuan Nhat stressed that the economic crisis and the state of poverty and backwardness in developing countries at present result from the policy of colonialism and the exploitation of neocolonialism demonstrated in its unjust and unequitable cooperation with developing countries.

"To eliminate this state of affairs," he said, "there must be a complete change in the present economic system with a view to establishing a new international economic order based on equality and democracy. This has been the objective of the past two decades and will be the objective for the future. The economic difficulties have not only hindered the course of development but also threatened political independence and national security of developing countries."

The Vietnamese ambassador called on the U.N. Economic Committee to take account of the new proposal of the "Group 77" and the initiative of socialist countries on establishing a comprehensive international security system in which economic security is an inseparable and indispensable component.

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CSO: 4200/43

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

READER COMMENTS ON MUNICIPAL FOREIGN TRADE SECTOR

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Jul 86 pp 1, 4

[Contributing Opinions to the Party Congress column: "Some Contributions to the Municipal Foreign Trade Sector"]

[Text] In recent years the municipal commercial sector has made notable accomplishments and progress in socialist construction and transformation in the city.

However, we are not yet truly satisfied with the results that have been attained. There are still many deficiencies in that work, such as the slow turn-around of export-import goods, there are still irrationalities in organizing and planning sources of goods, organizing state purchasing, etc. Export goods are usually mobilized slowly and in a patchwork manner, and have not kept up with the quantity, quality, and time requirements of the foreign trade contracts. Imports are not yet appropriate or sufficient and their production deadlines are not ensured.

There are many reasons for those limitations, among which the following must be mentioned:

The organizational structure: Too many official and nonofficial units in the city play roles in supplying export goods. In the final analysis, the principal goods of those units are still agricultural, forestry, and maritime products (unprocessed), and a number of traditional goods. That has led to a chaotic market situation (at times there has been actual competition). Price control units have been unable to hold back the prices of some goods.

The (domestic) commercial mode: At present one of the principal commercial modes of the foreign trade units is bartering. In all fairness, it must be said that that way of doing business has in part corrected the present cash shortage and has helped the units take the initiative in trade. However, the actual situation has demonstrated that that form also has limitations. The units must always have a supply of goods to exchange (whether or not in correct accordance with the sector's management function) for a certain amount of cash. That affects the circulation rate of export-import goods, disperses the fund of goods of the sector and of society, and contributes to creating a false shortage of goods. If export goods are mobilized from the collective



and individual economic components, their exchange goods easily become dispersed among the intermediate links (either because those exchange goods are not appropriate to the requirents or because they are not capable of buying them). Steps have been taken to eliminate the private middlemen from the mobilization of export goods. But because of the limited amount of cash the foreign trade units cannot pay the producing units and individuals so in fact private merchants, in many disguised forms invest capital to buy export goods at low prices, then receive exchange goods from the foreign trade units, sell them on the free market, make big profits, and upset the market. Although the prices of export goods are tending to increase in our country, the workers who produce them do not yet truly interested in producing them. On the other hand, at times imports appear to flood the market but do not necessarily meet the needs of production and consumption.

To a certain degree, abuse of the barter form still creates chaos in accounting and easily gives rise to negativism in the units, for ordinarily many lots of goods are exchanged many times and are difficult to monitor.

Furthermore, it is necessary to mention the fact that the determination of the ratio of foreign exchange to be received by many units participating in mobilizing export goods is not yet essential. That causes the foreign exchange fund to be dispersed and the prestige of Vietnamese money to be reduced.

To do a better job of fulfilling its mission in the future, the municipal foreign trade sector should pay attention to establishing clear areas of responsibility in the two semi-cycles of the export-import cycle.

With regard to the first semi-cycle (the exporting system), it should concentrate all export activities in a centralized entity which includes a vertical supply systems in the precincts, according to each basic type of export goods produced in the city. Only the units outside the city should be allowed to obtain and supply agricultural, forestry, and maritime products, and only units in the city should be allowed to supply industrial and small industry-handicrafts goods, processed goods, and traditional goods. The units should be required to reaffirm their permanent method of doing business. Of course, the volume of export goods produced by each units will change but if the city's total output of exports does not increase it will not decrease and there will be a basis on which the market can become more stable. It is also necessary to promptly cease the state purchasing of unregulated goods, while strengthening commercial alliances and the exchange of export-import goods between the city and the provinces in order to stop regional speculation. It must be guaranteed that the producing units and individuals be fully paid by means of fund transfers or cash payments. It is necessary to step up payment for goods by means of a type of bill of exchange drafted by purchasers, which replace some cash payments within a certain period of time. They may be transferred and their payment guaranteed.

With regard to the second semi-cycle (the import system), it is necessary to increase advertising (by using foreign advertising capital) and the capability to import in order to systematize the city's urgent import requirements. At the same time, import contracts must be signed directly with all basic units



authorized by the city, within the framework of the state register of import goods. Imported materials should be sold extensively at commercial prices in all production sectors in order to rapidly recover and turn over cash and the bills of exchange that have been issued.

Foreign exchange earned by exporting goods is paid to the participating units in Vietnamese currency. The circulation and calculation of foreign exchange within the units (whether by means of accounting entries or documents) must be ended.

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INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

CONFERENCE OF REVOLUTIONARY MUSEUM DIRECTORS ENDS

OW101842 Hanoi VNA in English 1512 GMT 10 Oct 86

[Text] Hanoi VNA Oct 10--A conference of directors of museums of revolutionary history and workers' movement of socialist countries closed here today after two days of meeting.

The conference was attended by delegations from Poland, Bulgaria, Kampuchea, Hungary, Laos, the Soviet Union, Mongolia, Czechoslovakia, and Vietnam.

Also present at the conference were Cul Huycan, minister in charge of culture and arts at the Council of Ministers' office; Nong Quoc Chan, vice-minister of culture; and representatives of the International Department of the Communist Party of Vietnam Central Committee.

The participants reviewed the museum work in socialist countries over the past years and its considerable contributions to the education of the tradition of revolutionary struggle among the people, and the promotion of the fight for world peace and the prevention of nuclear holocaust. They worked out measures to implement cooperation agreements among the museums of socialist countries in preparation for the celebrations of the 79th anniversary of the October Socialist Revolution.

The conference adopted a letter addressed to the World Peace Council warmly welcoming the international year of peace, condemning the U.S. imperialists' escalation of the nuclear arms race, and supporting the Soviet Union's new peace initiatives.

Today, Nguyen Thanh Binh, secretary of the Communist Party of Vietnam Central Committee, cordially received all the delegations to the conference.

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CSO: 4200/43

INTERNATIONAL RELATIONS, TRADE, AND AID

VIETNAM

BRIEFS

POLISH ARMY DAY GREETINGS--Hanoi VNA Oct 11--Minister of Defence Gen Van Tien Dung has sent a message of greetings to his Polish counterpart, Gen Florian Siwicki, on the 43rd anniversary of the Polish People's Army (October 12). The message reads: "Today, in face of the spiralling arms race by the U.S. imperialists and other reactionary forces, the Polish People's Army is standing firmly on its position, siding shoulder to shoulder with the fraternal armed forces of the Soviet Union and other socialist countries in the Warsaw Pact in the struggle to defend socialist Poland, thus actively contributing to preserving peace and security in Europe and the world over as a whole. We rejoice at the achievements recorded by the Polish people and Army over the past years and wish you still greater success in implementing the resolutions of the 10th Congress of the Polish United Workers' Party. On this occasion, we express our sincere gratitude to the Polish Party, Government, people and Army for their valuable support and assistance to the Vietnamese peoples revolutionary cause." [Text] [Hanoi VNA in English 144] GMT 11 Oct 86 OW] /6662

EXHIBITION ON USSR OPENS--Hanoi VNA Oct 11--An exhibition on the Soviet Union entitled "The People and Party Are Oneness of Mind" opened in Hanoi today in the presence of Nong Quoc Chan, vice-minister of culture; Le Xuan Dong, deputy head of the commission for propaganda and training of the party Central Committee; and others. On show are many photos and exhibits featuring the comprehensive achievements recorded by the fraternal Soviet people since the 27th CPSU Congress. They highlight the tireless efforts made by the Soviet Party, Government and people in implementing their policy of peace, averting the danger of war, and promoting cooperation among nations. Many photos illustrate the age-old friendship and comprehensive cooperation between Vietnam and the Soviet Union. [Text] [Hanoi VNA in English 1440 GMT 11 Oct 86 OW] /6662

SCIENTISTS MEET SALI VONGKHAMSAO--Hanoi VNA Oct 11--A delegation of the Vietnam Institute of Sciences led by Professor Nguyen Van Hieu, alternate member of the party Central Committee and director of the institute, paid a working visit to Laos from Oct 7-17. While there, the delegation, guest of the Lao State Council of Sciences and Technology (LCST), had working sessions with a delegation of the host organization led by its chairman, Li Nathavong. [spelling of name as received] They exchanged experiences in the organization of scientific research and informed each other of research works in their respective countries. On this occasion, Prof Nguyen Va Hieu

presented the host organization with an electronic computer manufactured by Vietnam. The Vietnamese guests toured Lao scientific and technical establishments and met with leading officials of several offices and ministries. They were received by Sali Vongkhamdao, secretary of the Central Committee of the Lao People's Revolutionary Party and vice-chairman of the Council of Ministers. [Text] [Hanoi VNA in English 1456 GMT 11 Oct 86 OW] /6662

**PRX NEWSPAPER ANNIVERSARY LAUDED**--Hanoi VNA Oct 12--The founding of the newspaper PRACHEACHUN, organ of the People's Revolutionary Party of Kampuchea Central Committee, one year ago marked a new development of revolutionary journalism in Kampuchea and the other two Indochinese countries, thus actively contributing to the revolutionary cause of the world people, says NHAN DAN in an article today marking the first anniversary of the Kampuchean newspaper. The paper says: "A sharp ideological weapon of the People's Revolutionary Party of Kampuchea, the paper PRACHEACHUN has over the past year overcome numerous difficulties to carry out its tasks in educating, mobilising and organising party member and the people throughout the country to realize the common strategic objectives in the present revolutionary stage, namely to firmly defend national independence, rebuild the country and take it step by step to socialism, and unceasingly uphold the two banners of national independence and socialist internationalism." NHAN DAN warmly welcomes and highly values the initial achievements of PRACHEACHUN and wishes it yet greater success in its noble cause. [Text] [Hanoi VNA in English 0658 GMT 12 Oct 86 OW] /6662

**ZAIRIAN, DANISH ENVOYS**--Hanoi VNA Oct 13--Lombo lo Mangamanga and Frederik Kiaer [spellings of names as received], new ambassadors of the Republic of Zaire and of the Kingdom of Denmark respectively, today presented their credentials to Vice President of the State Council Nguyen Huu Tho. Vice President Nguyen Huu Tho had cordial conversations with the diplomats. Also present on these occasions were Hoang Bich Son, deputy foreign minister, and Le Trang, deputy director of the Office of the National Assembly and the State Council. [Text] [Hanoi VNA in English 1505 GMT 13 Oct 86 OW] /6662

**INDOCHINA TRANSPORT, COMMUNICATIONS MEETING**--["Indochinese Countries To Expand Transport and Communications Cooperation"--VNA headline] Hanoi VNA Oct 13--The 3d conference of the Vietnam-Laos-Kampuchea sub-commission for transport and communications cooperation closed here today after a week-long sitting. The Kampuchean delegation to the conference was led by Chin Seng, vice-minister of communications, transport and posts; and Lao delegation by Boussy Lovanxay, vice minister of transportation, posts and telecommunications; and the Vietnamese delegation by Le Kha, vice minister of communications and transport. The conference reviewed the sub-commission's activities over the past year and worked out a program of action for the years to come. It dealt with measures to settle the immediate problems relating to the communications and transport along the Mekong River and on highways No 11 and 19. On Oct 10, the participants were received by Dong Si Nguyen, alternate Politburo member of the CPV Central Committee and vice-chairman of the Council of Ministers. [Text] [Hanoi VNA in English 1506 GMT 13 Oct 86 OW] /6662

**SWEDISH PEACE ACTIVISTS--Hanoi VNA Oct 13--**A get-together between Vietnamese peace activists and the visiting delegation of the Sweden-initiated movement "Great march for peace", was organized here yesterday by the Vietnam Peace Committee, the Vietnam Committee for the International Year of Peace and the Hanoi Peace Committee. The five-member delegation is headed by Mrs Yvonne Fagerberg, member of the Swedish Organization for Children Relief and the Swedish Social Democratic Party (SDP). Prof Pham Khac Quang, president of the Hanoi Peace Committee, informed the guests of the Hanoi people's diverse activities in support of the International Year of Peace. The hosts and guests discussed international issues relating to the world people's struggle for peace, disarmament and welfare. [Text] [Hanoi VNA in English 0700 GMT 13 Oct 86 OW] /6662

**REPRESENTATIVE AT UN DEBATE--Hanoi VNA Oct 12--**Contemporary history proves that imperialism, old and new colonialism, expansionism, aggressions, foreign occupations and domination, racism, apartheid and Zionism have been the main obstacles to the implementation of national independence and sovereignty, the right to live in peace, free from nuclear danger, starvation and genocide," said Nguyen Binh Thanh, representative of the Vietnamese permanent mission to the UN, at a UN debate on Oct 9. Nguyen Thanh Binh affirmed Vietnam's support for and solidarity with the struggle of the peoples in Central America, the Caribbean, Africa, the Middle East, Asia and the Pacific for their right to self-determination. On the Kampuchean issue, Nguyen Thanh Binh said: "The Kampuchean people's right to self-determination would be ensured only when a political solution is achieved in which the withdrawal of Vietnamese forces from Kampuchea is carried out alongside the elimination of the genocidal clique. For its part, Vietnam has done and will do its utmost to search for such a solution in the interests of the Kampuchean people, thus contributing to peace and stability in Southeast Asia. [Text] [Hanoi VNA in English 0823 GMT 13 Oct 86 OW] /6662

**NEW DANISH ENVOY--Hanoi VNA Oct 14--**Frederik Kiaer, new ambassador of the Kingdom of Denmark to Vietnam, today paid a courtesy visit to chairman of the Council of Ministers Pham Van Dong. Chairman Pham Van Dong had a cordial conversation with the new Danish ambassador. [Text] [Hanoi VNA in English 1438 GMT 14 Oct 86 OW] /6662

**CEMA PERSONNEL TRAINING SUBCOMMITTEE--Hanoi VNA Oct 14--**The 19th conference of the CEMA sub-committee for the training of scientific workers was held in Ho Chi Minh City from Oct 7-12. The conference, the first of its kind organized in Vietnam so far, reviewed the implementation of the resolutions adopted at the sub-committee's 18th conference and discussed measures to promote co-operation among CEMA member countries on the training of scientific workers. On this occasion, the CEMA sub-committee sponsored a seminar in the city on the training and rational utilization of scientific workers with the participation of Vietnamese lecturers and research workers. [Text] [Hanoi VNA in English 0731 GMT 14 Oct 86 OW] /6662

PEACE ACTIVISTS RECEIVED--Hanoi VNA Oct 14--Chairman Pham Van Dong cordially received here today the visiting five-member delegation of the movement "Great march for peace" headed by Ms Yvonne Fagerberg, member of the Swedish organization for children relief and the Swedish Social Democratic Party. He acclaimed the activities of the "Great march for peace" movement initiated by the Swedish peace organization in the struggle for peace and disarmament, against the danger of a nuclear war. He reaffirmed Vietnam's determination to strive for peace, stability and cooperation in Asia, the Pacific and elsewhere in the world. Chairman Pham Van Dong wished members of the "Great march for peace" movement success in their lofty mission. [Text] [Hanoi VNA in English 1459 GMT 14 Oct 86 OW] /6662

CSO: 4200/43



PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

HUE CITY HOLDS PARTY ORGANIZATION CONGRESS

BK081423 Hanoi International Service in English 1000 GMT 8 Oct 86

[Text] To prepare for the coming sixth national congress of the CPV, the provincial [as heard] party committee of the old imperial city of Hue in Central Vietnam held its congress in mid-September.

In the past 10 years since liberation, many changes have taken place in Hue, turning this consumer city into a productive, cultural, and tourist center. Right after liberation, to help solve unemployment, the city's party and people's committees have encouraged and assisted in restoring and developing such traditional handicrafts as bronze casting, wood carving, embroidery, and brick making. New trades such as wicker work, carpet making for export have been introduced, asbestos and plastic production has developed. The city now possesses 16 workshops and hundreds of production units employing more than 30,000 workers and employees. Last year, brakes for the bicycle made by locally found materials helped raise the city's export quota to 4.3 million rubles.

Under the slogan "An Inch of Land, An Inch of Gold," the city has launched a movement to reclaim land, expanding the acreage under rice to about 10,000 hectares. Hue has applied new methods in intensive farming. As a result the rice output now is 3.5 times that in the preliberation period.

Not satisfied with this record, the city party committee of Hue has held discussions on the directions, targets, and concrete measures for the city's economic and social development and defense. In the next 5 years, the party committee and people of Hue will strive to increase the industrial and handicraft output value by 1.6 times, raise their agriculture by 1.2 times, and the city's gross product by 15 percent as compared with 1985. In agriculture, in the next 5-year plan, Hue will concentrate on developing high-yield ricefields as well as providing good rice strains, water, fertilizer, and insecticide. The city will build more irrigation projects and pumping stations. Some rice-growing areas with low yields have put under vegetables and industrial plants. [sentence as heard] In the next 5 years, much attention will be paid to restoring and developing gardening while more fruit trees and flowers will be planted.

The congress' resolution also stresses the need to develop tourism in this old imperial city with many scenic spots and historical relics.

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CSO: 4200/43

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

NATIONWIDE REVIEW OF PROVINCE, CITY COUNCIL ACTIVITIES

Hanoi QUAN DOI NHAN DAN in Vietnamese 16 Aug 86 pp 1, 4

[Article: "People's Councils of 34 Provinces and Cities Meet To Review Their Activities Since the Start of Term"]

[Text] VNA--Carrying out a decision of the Council of State, since the end of June 1986, the people's councils of 34 provinces, cities, and special zones under the direct jurisdiction of the central government have met to review their organization and activities from the start of their terms to the present. The meetings focused on analyzing past strengths and weaknesses and their causes, and on deliberating and deciding tasks to be done in order to allow the people's councils to discharge their duties in conformity with their functions, responsibilities, and authority vested by the Constitution, the Organization of People's Councils Law, and the people's committees. On the same occasion, province and city people's committees also discussed and made recommendation for a draft of the statutes of various levels of people's councils.

In light of their review and learning from the experience, the people's committees of provinces, cities, and special zones affirmed that in all aspects of their activities, the people's councils have made significant progress and improvement over the last term. Meetings were held at the beginning of their terms as stipulated by law, improvement was achieved in the issuance of memoranda and other paperwork in preparation for meetings, draft reports were sent beforehand by some people's committees to people's councils for preview before meetings, the people's council staff was reinforced and improved, and in some localities, various bureaus and sections including the secretariat of some councils, rendered excellent staff services and significantly contributed to stepping up the activities of people's councils. Representatives to the people's councils gave adequate attention to strengthening the relationships between them and the electorate, periodically received citizens, and monitored and helped solve grievances and complaints submitted by citizens. In some provinces and cities, the chairmen of the people's committees included in their work schedules a time to work with bureaus and sections of people's councils for coordination and cooperation purposes. Nevertheless, problems still lingered, such as lack of enthusiasm and ostentatious practices, and efforts to overcome them have been slow to produce effects. The causes of this situation lie in the fact that many party committees have yet to acquire a thorough knowledge of the functions of the people's councils and to pay adequate attention to providing leadership for their organization and activities.

Other party committees are still showing an excess of zeal, usurping the work of governmental agencies; the selection and election of candidates for elected office still lack democratic practices; people's committees do not pay due respect for the people's councils and fail to abide by the law governing the institution and activities of people's councils. Many representatives to people's councils do not discharge their responsibility as they should; and the provision for advanced training for elected representatives in matters pertaining to their missions, authority, and methods and principles of operations has not been taken care of by party committees and governmental agencies as they should.

In order to enhance the efficiency of the people's councils, representatives to this people's body unanimously agreed on the need to learn from the various fields of activity and steadily improve the councils, to prepare well and to ensure the quality of their periodic meetings with the active participation of their various sections and bureaus, to discuss and make decisions on concrete issues pertaining to production development, to the stabilization and gradual betterment of the material and cultural livelihood of the people, to strengthen the socialist rule of law, and to extend control activities over state agencies, in order to allow the people's councils to operate in conformity with the functions, missions, and authority determined by law.

Comrades Le Thanh Nghi and Huynh Tan Phat, vice chairman of the State Council, attended meetings to review the activities of the people's councils of the Vung Tau-Con Dao Special Zone and of the Long An Province, and inspected various people's councils in the two provinces of Dong Thap and Kien Giang.

At present, people's councils of districts, wards, subwards, and villages are reviewing the activities of their respective councils. The current review, conducted on a specific decision issued by the State Council, is a pragmatic endeavor to carry out Directive No 19 of the Secretariat of the CPV Central Committee, stepping up self-criticism and criticism activities, contributing to the strengthening of the local government apparatus, and actively gearing up for the congresses of various levels of party organizations.

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CSO: 4209/6

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

YOUTH FEDERATION TO BE STRENGTHENED AT ALL LEVELS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Aug 86 p 1

[Article by "P.H.": "Vietnam Youth Federation to Be Strengthened at All Levels, Activities Organized To Meet Aspirations of Young People"]

[Text] The situation of youths committing crimes in the city is tending to increase. Because of the working and living conditions of youths who volunteer for Assault Youth work or to do economic-national defense construction work have not received adequate attention, many youths have abandoned the distant work sites and returned to the city. Meanwhile, the activities of the Vietnam Youth Federation at all levels have steadily declined. The Communist Youth Union at all levels has not paid attention to the work of the chapters, so the task of bringing youths into social activities and the revolutionary movements at the basic level is still very restricted.

To overcome that situation, the municipal Communist Youth Union organization has a plan to improve the organization of Youth Union chapters at all levels and to expand the models for rallying youths at the basic level. The Youth Union and the Youth Federation will step up their political-ideological work with regard to youths of Chinese descent and youths of religious groups, and will enter deeply into seeking to gain clear understanding of the private thoughts and aspirations of youths so that the task of proselytizing, educating, and rallying them can attain better results. The Youth Union chapters in many areas with large numbers of Chinese have plans for developing and cultivating outstanding Chinese Youth Union members and key youth cadres in order to bring about a strong transformation in proselytizing Chinese youths.

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CSO: 4209/857

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

READER COMPLAINS ABOUT ABUSIVE CADRES

Hanoi NHAN DAN in Vietnamese 6 Aug 86 p 3

[Brief Opinions column: "Everyone Is Equal Before the Law"]

[Text] Beginning when the people gained political power, Uncle Ho, our party, and our state stressed the people's mastership right and continually admonished and urged the cadres and the public servants, the loyal servants of the people, to manifest a strong sense of responsibility and a revolutionary spirit, and to go all-out in serving the people and do anything to benefit the people and the nation.

It is regrettable that at present there are cadres who are arbitrary, violate the policies and lines of the party, harm the revolution, etc.

For a considerable period of time there has been laxity in enforcing the law and discipline has not been strict, which has resulted in violations of the people's mastership right.

I ardently hope that the party congress will pay attention to the people's aspirations, for they always want to have employment, food, clothing, and housing, not to be the objects of revenge or bullied, and that there be no parasites within the ranks of the cadres and party members. The people are always ready to obey the party.

I hope that the party congress will hold high the slogan, "Work and live in accordance with the law." Everyone who is a citizen, whether a cadre, a person, or an ordinary person, is responsible for obeying the law.

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CSO: 4209/867



PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

EDITORIAL URGES EFFORTS FOR SUCCESSFUL PARTY CONGRESSES

Hanoi QUAN DOI NHAN DAN in Vietnamese 15 Aug 86 pp 1, 4

[Editorial: "Properly Conduct Party Organization Congresses at all Levels"]

[Text] Carrying out the directives of the Secretariat of the CPV Central Committee relative to the organization of congresses of various levels of party organizations in the People's Armed Forces, we have completed the last phase of self-criticism and criticism in the entire party system, and subsequently, redoubled our efforts in making our units stronger, and in correcting deficiencies.

At present, our most important task is the organization of congresses at various levels of party organizations, with an immediate focus on the congresses of party organizations of basic units, in order to continue to prepare successfully for the Sixth National Congress of the party.

This time, the primary missions of the congresses at various levels of party organizations are to discuss and contribute ideas for the drafts of congress reports (political reports, reports on change to party statutes) and for the draft of the report of the next higher party congress; to discuss the report of the unit's party committee and to issue related resolutions; and to elect representatives who will attend the next higher party congress, and to elect new party committee members as required.

There will be a lot to do and the tasks will be monumental, and must be done in a short period of time. From now until the end of October, all congresses of the armed forces' party organizations must be completed. Therefore, party committees must do their best using the best they can muster, and provide leadership for a successful accomplishment of the tasks of their subordinate party organizations. Plans must be drawn thoroughly, carefully, and must be consistent with the peculiarities, the situation and the missions of each unit. They will strictly abide by existing principles and procedures, allow appropriate time for each task, allocate adequate means for party building especially for the organization of the party infrastructure and of the ranks of party members, and concentrate on solving key issues and important matters which exert a decisive impact on the improvement of the situation.

In the immediate future, we ought to make the congress of basic party organizations a success. It has a particular importance in the sense that it will



encompass all areas and all units, and that its outcome will directly affect the outcome of the congress of the next higher party organizations. It is therefore obvious that the latter will gather all their strengths in guiding and assisting basic units' party organizations in each stage of the preparation and conduct of their congresses, in overcoming their shortcomings and deficiencies in a timely manner, and in learning from this experience for the benefit of other basic units' party congresses, and for the next higher echelon's own congress.

Strictly complying with the principle of centralized democracy in discussions, in the issuance of resolutions, and in the election of party committee representatives is another significant and decisive issue and the success of party congresses of various levels will depend on it.

Democratic principles must be adhered to in any discussion. Every party echelon will see to it that each party member realistically contributes to the party congress. Each party member must thoroughly hear all important reports, understand their contents, and possess sufficient background information for his thoughts, suggestions, and contributions for his party chapter's report, for the report of the next higher echelon, and for the Party National Congress. Each party member and each representative will expand the successes obtained in the recent phase of self-criticism and criticism, and on the basis of his unflinching devotion to party policies, his correct approach in enriching his own thoughts, his high spirit of responsibility, his constructive consciousness, and an impeccable attitude, he will look straight at the truth, honestly bring forth his ideas, discern the right from the wrong, and make unequivocal and concise recommendations.

In the election of representatives to the next higher party congress, as well as of new party committee members, we must absolutely respect the democratic right to vote of party members and avoid all forms of oppression and coercion. All party members and representatives must be conscious of their responsibilities with regard to their vote. Through all stages of the election process, we must make sure that each elector is aware of the standards required from each representative and new party committee member, that each candidate who runs for membership or who is designated is appropriately introduced and allowed to freely discuss with and answer inquiries from the electorate, and that sufficient time and documents are made available to party members for their evaluation and selection of representatives and new party committee members. The individuals elected must be cadres and party members of high quality and ability, reflecting faithfully the spirit and knowledge of the party organization. We might, and ought, to consider the human composition of the delegation which should be consistent with the structural organization of the unit. However, standards will always carry priority, and under no circumstances, should standards requirements be lowered to satisfy the actual structure of the unit, and individuals not meeting those standards should not be elected as representative or member of a party committee.

All our efforts in each task and at each stage of step-by-step preparation for the national congress are aimed at reaching our highest objective which is to rally all our potential in implementing party policies, to strengthen our

unity in the party organization and in the party as a whole, and to trigger a mighty change in thoughts and organization to build a strong and clean party organization which serves as a nucleus in enhancing the unit combativeness. The success of the congress at each level of party organization will spawn a real change from within the unit, and significantly contribute to the success of the congress of the next higher party organization, and this salutary effect will create a chain reaction, and benefit the Party National Congress.

One of the most significant contributions to welcome the Sixth Party National Congress and the congresses at the various levels of party organizations is the promotion of a widespread high-efficiency emulation movement to develop strengths, to correct shortcomings, to advocate the improvement of staff and work, to limit and deter negative phenomena, and to build stronger units in all fields, such as combat, discipline, unity, livelihood, and preparedness in terms of personnel and arms in order to accomplish the missions in an outstanding manner in any situation.

The success of the national congress starts with the success of congresses of various levels of party organizations. Bearing in mind the importance of the role and responsibility of each unit and each individual, each party organization and each party member will resolutely contribute his best for the outstanding results of his own party congress. This is the best way to contribute one's all for the Sixth Party National Congress, and allow it to accomplish its historic mission for the fatherland and for the people in the present situation.

9458/12859

CSO: 4209/6

PARTY ACTIVITIES AND GOVERNMENT

VIETNAM

BRIEFS

MEETING MARKS HANOI LIBERATION DAY--Hanoi VNA Oct 9--A mass meeting was held here this afternoon to mark the 32nd anniversary of the liberation of Hanoi (Oct 10). Present were representatives of the Hanoi Party and People's Committees, the Hanoi Fatherland Front Committee, and other mass organizations. Speaking at the meeting, Prof Pham Khac Quang, president of the Hanoi Fatherland Front Committee, brought out the considerable contributions of the Hanoians to national construction and defence over the past 32 years, especially their achievements over the past five years. On this occasion, a labour emulation movement was launched by the Hanoi Party and People's Committees in honour of the upcoming Sixth Party Congress. [Text] [Hanoi VNA in English 1450 GMT 9 Oct 86 OW] /6662

JOURNALISTS' WORKSHOP--Hanoi VNA Oct 15--A journalistic workshop on the role and effects of modern technology in information and communications has been organized here jointly by the sub-committee for communications under the Vietnam UNESCO committee and the school for journalism of the Vietnam Journalists' Association with the assistance of the UNESCO's Committee for Asia and the Pacific. Lectures delivered at the workshop dealt with new scientific and technological progress applied to the communication work, particularly the use of electronic equipment in communication and informatique, and modern techniques in photo and new transmission. The participants also heard reports on the electronization of VIETNAM NEWS AGENCY and the development of Vietnam's electronized press. Speaking at the closing ceremony, Hoang Tung, secretary of the party Central Committee and president of the Vietnam Journalists' Association, acclaimed results of the workshop and called on the participants to make good use of new techniques in their journalistic work. [Text] [Hanoi VNA in English 0712 GMT 15 Oct 86 OW] /6662

CSO: 4200 /043

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

**SOCIOECONOMIC STRATEGIES FOR DEVELOPMENT OF HO CHI MINH CITY**

Ho Chi Minh City SAIGON GIAT PHONG in Vietnamese 27 Aug 86 pp 1, 4

[Article by Thanh Le in "Opinions To Contribute to Party Congress" column:  
"It Is Necessary To Determine the Central Position of Ho Chi Minh City on a  
Scientific Basis"; passages within parentheses printed in italics]

[Text:] Over the recent past, our city has made great efforts to organize research on a socioeconomic strategy for the entire municipal area from now to 1990. This research is also a subject aimed at preparing for the drafting of the resolution of the sixth congress of the municipal party organization. I wish to contribute the following views on this matter.

To implement the 14 research programs which have been set forth, it is necessary to determine the central position of Ho Chi Minh City/. In this respect, the resolution of the first congress of the municipal party organization in April 1977 and the resolution of its second congress of delegates in October 1980, and especially the 7 September 1982 resolution of the CPV Central Committee Political Bureau clearly stated:

"Ho Chi Minh City is a large economic center as well as a center of international relations and tourism of our country. After the capital city of Hanoi, Ho Chi Minh City holds an important political position...."

"From the economic point of view alone, the city is a large industrial center which can, to a fairly large extent, develop industrial production -especially the consumer goods production industry; which possesses a great variety of small industries and handicrafts as well as a large number of talented scientists and technicians; and which has an infrastructure designed to develop industry, import-export, and tourism."

"The city is a major center of water, land, and aerial communications which has convenient trading relations with the provinces of Nam Bo, southern Trung Bo, and southern Central Highlands and which is in a very favorable position and condition to establish international relations, especially with Kampuchea, Laos, and Southeast Asian countries."

"A particularly important feature of the city is that its economy is linked to a rich agricultural, forestry, and fishing region (the former B2 zone) which

has a developed merchandise production structure and a great labor and land potential, and which constitutes a rear capable of supplying plenty of grain, forest products, agricultural products, raw materials and so on to the city...."

The above statement is clear, too clear. If so, why is it necessary to raise the question of studying the central position of Ho Chi Minh City? There are several reasons.

First, defining the central position of Ho Chi Minh City, is not enough. It is quite possible to define this central position merely by relying on knowledge and experience but defining it in a scientific manner on the basis of scientific data and surveys is another question. For example, everyone agrees that there are definite economic relationships between this city and the surrounding regions but it is not easy to give an accurate or relatively accurate answer about the scale, structure, and tempo of these relationships. (Even the report of the municipal party committee on the implementation of Resolution No. 41 of the Political Bureau concerning the city's tasks contains these important questions: "Because our city is a major economic center for the entire country, its plan must be an essential component to synchronize with the national and especially zonal plans. What do other areas need and what do they want our city to supply? What quantity and quality do they require? What does our city need and what does it want any area to supply? What are the required quantity and quality?...") Without studying these relationships thoroughly and carefully, how can we develop the central position of our city? In other words, to define the position of our city, we must go beyond the experiential process and reach the scientific level.

Second, the relationships between our city as a center and the surrounding areas as its outskirts must not be confined to the economic domain because these relationships have many other shades--social, cultural, political, etc.--which are not less important. It is public knowledge that in these respects, Ho Chi Minh City is exercising great influence on the surrounding areas and even on other regions of our country (for instance, in matters of consumption preferences). There is no way other than to examine these diverse relationships as an aggregate/ instead of omitting all aspects except the economic one or instead of confining ourselves to studying each single aspect separately. All of these aspects which constitute the aggregate must also be examined at the scientific level.

Finally, in connection, we have not yet spoken of the "invisible" relationships which can hardly be grasped precisely, such as those in the cultural and spiritual domains.)

Third, the relationships and reciprocal effects between Ho Chi Minh City and various regions in the country are very different in nature. There are relationships by which our city as a center exerts a dominant effect on the surrounding areas in their capacity as outskirts. Our city and the surrounding areas also have other relationships which have the effect of mutual support provided by forces coming from different directions but on the same plane (so that our city may play a dominant role in some respect but is governed by other areas in another field). The nature of the reciprocal



effects between our city--considered as a center--and other centers in the country also manifests itself in another manner.

We have not yet mentioned the relationships of our city with the central level and with other centers abroad. These relationships are "vital" to our city.

If the nature of the above relationships is not clarified (scientifically), it will be impossible to speak about the full and solid development of the central position of Ho Chi Minh City.

Fourth, once the substance, scale, structure, tempo, and nature of the relationships between our city and other places have been examined scientifically, an unavoidable task will be to consider the optimum forms and methods possible to establish these relationships, which means also to develop the central position of our city as officially defined in various documents of our party and state.

As a matter of fact, these forms and methods already exist. However, because they have taken shape during different historic eras and under different social systems, a study must be conducted to eliminate the inherited negative elements and to develop the positive ones. Moreover, it is necessary to find more progressive and effective forms and methods that are consistent with our present (socialist) doctrinal construction. In this connection, a highly important theoretical and practical question is to establish relationships between our city and other regions and sectors by coordinating market planning with the laws and mechanisms of the market (especially the market during the present transition to socialism).

Fifth, another reason which is no less important is that when mentioning the effects of any center--in this case, Ho Chi Minh City--we must speak not only of its positive effect but also of its negative influence. This is understandable because Ho Chi Minh City is undergoing socialist transformation.

Our city is witnessing a very fierce struggle, one between two roads--socialist and capitalist. Our city is no longer a capitalist one, but has not yet become a uniformly socialist city. To speak of developing the effects of Ho Chi Minh City is to speak of developing its positive effect on socialist revolution and construction throughout the country and also of limiting and eliminating its negative effect on this process.

There are perhaps other reasons but the few mentioned above suffice to /show/ clearly the urgent need to study the central position of Ho Chi Minh City before proceeding to examine each aspect and problem within the economic-social strategy/.

Such a study must be conducted not only by finding various ways to examine the existing (past and present) documents but also by using different methods to do research and collect data on the spot, especially in localities that are considered typical and representative. In other words, this study requires a vast amount of information and an effective data processing method.

4332/14957  
CSO: 4204/9



ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

EMPHASIS ON DEVELOPING DISTRICTS AS ECONOMIC UNITS URGED

Hanoi NHAN DAN in Vietnamese 6 Aug 86 pp 3, 4

[Article by Mai Linh: "The District Is an Economic Unit"]

[Text] Our party's policy of making the district an economic unit is entirely correct. The district organs must accept direct responsibility for leading and guiding the organization and management of production, are responsible for ensuring the material and morale conditions of the local people, must manage society in correct accordance with state laws, and must fulfill their obligations to the province and the central echelon. Those are minimum requirements of the district organs.

The district has a very large land area, has hundreds of thousands of people and tens of thousands of workers, has hundreds or thousands of trades, and has a very complicated society with many different components.

Transforming the district into an economic unit is something new as far as our country is concerned. We must be careful and proceed, certain step by certain step. Haste and impatience will bring about inestimable bad consequences.

We must have a corps of key cadres with sufficient talent and virtue. Recently many districts have manifested creativity and boldly and step-by-step transformed themselves into economic units with an appropriate structure and with technical facilities that have gradually been renovated, which has enabled production to develop in all regards and the people's lives to be further improved. But we have noted that in some districts in which the key leaders are weak in ability and deficient with regard to virtue, there have been bad consequences.

The district has two principal functions: managing society by means of laws and organizing production by means of advanced science and technology. Both of the aspects are too weak. District cadres are very lazy toward studying law. Many of them are the very ones who violate the law the most and the most seriously, and are not, or are not afraid of being, punished by law.

With regard to production, they know next to nothing about science and technology. Their leadership is superficial. They leave the work to the specialized organs. They impede the work of the technical cadres.

Therefore, in society there occur many negative phenomena, production does not increase, and the people's lives are not improved.

Because their origins were those of small-scale, individual producers and are unwilling to steel themselves, individualistic, conservative thoughts and factionalism are still deeply embued in many cadres with positions of authority in the districts. They have become untouchable "kings of the revolution."

With such ability, moral quality, thoughts, and work styles, how can they fulfill two functions: managing society and organizing production?

In district X I met a comrade, deputy head of the district irrigation section, who said that the employees of the organ hadn't received their salaries for 4 months (between January and April 1986). I also met a worker of the tractor station who said that he hadn't been paid for the past 2 months, and that because of the poor harvest the cooperatives could not pay the 65 tons of paddy they owed the station. Retired and disabled cadres and disabled and ill veterans said that they were often forced to deposit part of their salaries and allowances in savings accounts, that they were not paid honestly, and that they were seldom paid the full amount at one time. Thus the lives of salary earners are affected by the "fever" of rapidly escalating prices. How about the district leadership cadres? They are looking out for themselves, holding parties, giving gifts, accepting accepting bribes, taking over land, building houses, expropriating vehicles, bringing their children into district organs or sending them abroad, arranging for their children to evade military service, covering up for relatives who do wrong, etc. Their way of life is one of "I don't care whether you live or die so long as I can put money in my pocket." Those things have had very serious consequences for the revolutionary sentiment and lives of the people of district X. I believe that at present such phenomena are not rare. I recommend that the central echelon valuate the actual situation in the districts by direct observation, not merely by means of reports from the lower echelon or by information carried by the press. There must be plans to form a corps of leadership cadres who are fully qualified with regard to ability and virtue. It is necessary to strengthen the districts' material-technical bases so that they can be capable of comprehensively and solidly develeoping production. At the same time, the central echelon must provide step-by-step guidance so that each district can become capable of being an economic unit.

5616

CSO: 4209/867

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

READER COMMENTS ON NEGATIVE INCIDENTS IN COMMERCIAL SECTOR

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Jul 86 p 1

[Contributing Opinions to the Party Congress column: "Negative Incidents in the Commercial Sector Must Be Strictly and Adequately Dealt With"]

[Text] Public opinion often holds that the number of negative phenomena occurring in the commercial sector is not small. In the 1 May 1986 issue (No 278) of the newspaper of the Public Security Service of Ho Chi Minh City the "Hot Topics Front" column posed the question why the leadership committee of the Municipal Commercial Service did not deal with the "Contract To Borrow Glutinous Rice Flour" incident of the General Commerce Corporation of Precinct 6, which allowed private merchants to freely take advantage of the corporation to do business. A state corporation became an employee of private merchants to have income to report and to earn a profit. As for the private merchants, they controlled the market as they saw fit.

There was an incident in which the Municipal Cloth and Yarn Corporation sold the Hanoi Applied Science-Technology Center 10,000 kilos of "peco" yarn at a price not in accordance with the guidance price although that organ was not authorized to buy it.

Recently, in its issue No 74/84, dated 26 June 1986, the newspaper TUOI TRE published the article, "Where Did the Fish Distributed in Precinct 4 Go?" The article dealt with Mrs. Phan Thi Thu, manager of the Aquatic Products Store of Precinct 4, who sold all of the store's fish to private merchants.

Those incidents were reported in the press, but there are other negative incidents which have not been publicized. Has the leadership committee of the Commercial Service learned any lessons?

In the present difficult economic situation, in many places the commercial sector, pursuing "income" and "profits" to meet its norms, helps private merchants upset the market and create additional difficulties in social life. Therefore, the negative phenomena in the commercial sector, whether major or minor, must be dealt with firmly and appropriately and reported in the press in order to propagandize and prevent them. They should not be dealt with internally or covered up. Therefore, I recommend that the leadership committee of the Municipal Commercial Service quickly deal with the negative incidents in the sector and report them in the press, in order to clean up the commercial sector. The Service must also warn the enterprises which, in pursuit of "income" and "profit," help the private merchants.

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

READERS COMPLAIN ABOUT POOR MANAGEMENT, DISHONESTY

Hanoi NHAN DAN in Vietnamese 6 Aug 86 p 2

[Letters From Readers column: "Because of Poor Management There Is a Big Backlog of Products; Dishonesty at the Port"]

[Text] At the Thai Hoa cooperative (Cam Binh) and the Van Phu cooperative (My Van) in Hai Hung province, the peasants still owe much rice to the collective. It is estimated that the rice backlogged in such places amount to 500,000 or 600,000 tons.

We believe that there are many reasons for that situation, but the principal reasons are that management, especially financial management, and the statistical and accounting work, are still too weak; the cooperatives do not assign contracted-out land fairly and do not provide sufficient materials and production expense money to the people accepting contracted land; the cooperatives leave the cooperative members to their own resources and there are no plans to make contract payments; and the interest on backlogged products is too low. The amount of debt rice increases every month.

I recommend that the cooperative management boards investigate and determine the debt owed by each household, then categorize the households, find out why the interest rate is not yet appropriate, and examine carefully each specific case in order to have appropriate ways to handle them. They should not be coercive or be too lenient toward people who are not hard-up but deliberately delay. They must be propagandized and proselytized, and only when necessary should they be subjected to administrative measures and forced to turn over the full amount to the collective. With regard to people who are still truly encountering difficulties, the cooperatives have plans to collect their debts over several seasons, or even several years.

Furthermore, people who truly make all-out efforts in production but do not attain the output contracted to them should be brought before a meeting of cooperative members so that ways to resolve the problem can be discussed.

Only thereby can the distribution of income in our cooperatives be fair and rational, and only then can experience be gained so that products will no longer be backlogged and the working peasants do a good job of carrying out

the directive of the Secretariat of the Party Central Committee on the contracting out of output in agriculture.

Nguyen Van Dinh  
(Hai Hung)

The port of Hai Phong has two scales which are capable of weighing trucks and, eventually, railroad cars. But weighing goods does not eliminate all negative phenomena from occurring at the port. An alert person can easily see a number of truck drivers using all kinds of dishonest tricks to increase the trucks' weight when they are weighed by filling gasoline cans with water, filling old tires with rocks, sand, steel, iron, etc. After the trucks are weighed they go to deserted places and throw all those things away before taking on cargo. By this dishonest means they obtain additional cargo which they can sell on the outside for personal profit.

If the consignees tolerate such negative phenomena the port will suffer losses and the state will lose many materials and goods.

Lam Van Nha  
(Port of Hai Phong)

5616  
CSO: 4209/867



ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

READER COMPLAINS ABOUT WASTE OF MONEY, MATERIALS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Aug 86 p 1

[Article by Tran Hong Gian in Contributing Opinions to the Party Congress column: "We Still Waste Too Much Money and Material"]

[Text] During the time I was working at the port of Saigon I had a number of thoughts:

1. On imports:

Our export-import corporations have imported all sorts of things, such as machinery, medicines, insecticides, fertilizer, etc., which are very necessary for production in our country, at present and in the future.

However, a considerable number of things that are unnecessary for the lives of workers and for production, such as color TV's, cassette players, video cassette players, etc., are still imported by those corporations.

I think that our country is still backward economically and many difficulties are still being encountered in the lives of the cadres, workers, civil servants, and workers, especially the families of cadres who must live on their salaries, so why don't we save every dong of foreign exchange to import necessary things, such as machinery, medicine, or fertilizer?

Our economic organs have, because of the requirements of production, imported goods and raw materials for industry. But have they been carefully stored? In fact, recently I have noted that we still waste a very large amount, and it may be said that we have been irresponsible in managing those goods. Imported goods are left outdoors and exposed to rain and sun, so they rust and are stolen. Sometimes tons of urea must be left outside the corridors along the warehouses, such as Khanh Hoi and Tan Thuan, and the warehouses are humid and sometimes flooded, there is discarded iron and steel scattered about, and coal has been dropped everywhere (such as at Tan Thuan). When a light breeze blows there are thick clouds of coal dust; and every time a coal ship ties up at the pier and is unloaded, tons of coal are lost. At times imported newsprint is left outside, is exposed to rain, and disintegrates. Why do the responsible organs, especially the port organ, allow that situation to continue and not take steps to rectify and correct it?



We all know that children must pick up all kinds of waste paper, scrap iron and steel, and plastic bags to fulfill their "small plans" and contribute to developing the economy of the fatherland. Meanwhile, at the port, discarded iron and steel is scattered about haphazardly and no one picks it up (there is a whole field full of disabled motor vehicles), PVC power covers the area, etc.

2. The bonuses and preferential treatment system:

Our country must cope with a multifaceted way of destruction started by the imperialists and expansionists, including psychological warfare. Many difficulties and deprivations are still being encountered in the lives of the people. Our society does not stress one sector and neglect another, but in fact during the past 11 years some sectors and trades have received practically no preferential treatment (such as the education sector), while there are other sectors in which the workers and civil servants live rather comfortable lives.

At the port, I think that the rewards-punishments system for stevedores is not suitable. Therefore, there are still many negative instances and goods are often lost or deliberately allowed to become ruined.

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CSO: 4209/857

ECONOMIC PLANNING, TRADE, AND FINANCE

VIETNAM

ILLEGAL BEVERAGE PRODUCTION REPORTED

In Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Aug 86 p 4.

[Article by P.T.: "Discovery of Over 20 Cases of Illegal Production and Trade in Alcohol, Beer, and Soft Drinks"]

[Text] The market management sector recently uncovered more than 20 cases of illegal production of alcohol, beer, and soft drinks. Giang Van Lam's household who acted as an agent selling fermented fruit juices in Minh Phung Street, 4th Subward, 6th Precinct, allowed his wife to produce these juices illegally on the spot. An analysis was made which revealed that these products were unhygienic because the amount of germs and bacteria contained therein was 30 times larger than the fixed norm. Three hundred empty bottles and about 400 bottles of fermented fruit juices bearing the "Hong Luu," "Hon Muu," and "Ong Hung" trademarks were confiscated and destroyed. Dann was temporarily detained pending a trial.

The household of Ly Chau Lang, a resident of Tran Van Kieu Street, 15th Subward, 4th Precinct, not only sold soft drinks illegally but also brewed these commodities and raised their prices. An official report was drawn up prior to legal proceedings. The evidence included 200 cases of soft drinks which were subsequently handed over to units of the Food and Beverage sector.

Three cases of moonshine sales in the 8th and 9th Subwards of the 8th Precinct were discovered. An official report was made and legal proceedings taken against the household of Tran Van Huan, a resident of Oanh Van Ba Street, 18th Subward, 4th Precinct, who specialized in producing moonshine. A fine of 2,700 dong was imposed on this household and all evidence including artificial colors, alcohol, distillation equipment, and 50 liters of moonshine were confiscated.

9332/12947  
CBO: 4326/9

AGRICULTURE

VIETNAM

AGRICULTURE OFFICIAL COMMENTS ON HOG RAISING

Hanoi NHAN DAN in Vietnamese 6 Aug 86 p 3

[Article by Le Sinh Tang, M.A., head of the Animal Husbandry Department of the Ministry of Agriculture: "Urgent Measures To Attain Goal of Producing 13 Million Hogs This Year"]

[Text] When it began the implementation of its 1986 plan the animal husbandry sector had such advantages as the nation having produced 560,00 tons of live pork last year, the greatest amount ever, its material-technical bases having been strengthened, and the availability of grain for animal husbandry being greater than the previous year.

However, since the beginning of the year difficulties have been encountered in hog raising, such as the number of sows having declined by 140,000 by the end of 1985, so the number of pigs sent for raising this year has been smaller than in past years and there has been a shortage of breeding stock during the first 6 months of the year. In a number of Red River Delta provinces the price per kilo of breeding hog is nearly double that of a kilo of meat hog. Furthermore, there are still many problems regarding the management mechanism, especially the state pork purchase price and the payment and circulation modes, which must be resolved. Although the sectors and echelons have made all-out efforts to resolve those problems, they have not resolved them in time and they have adversely affected production. As of 1 April 1986 (the annual statistical date), the number of hogs in the nation amounted to only 11,776,000, which was a 1.5 percent reduction in comparison to 1 April 1985 and a reduction of 8.7 percent in comparison to 1 October 1985. The number of sows declined by 5 percent. In general, hog raising in our country is tending to stand still with regard to the number of hogs and to decline with regard to the number of sows. In some areas the number of hogs has declined considerably. For example, the number has declined by 17 percent in the central coastal area, 9.5 percent in the Central Highlands, 8 percent in the Mekong Delta, and 2.1 percent in the Red River Delta. The number of sows in the southern provinces has declined by 11.5 percent, by 15.5 percent in the Central Highlands, by 13.5 percent in the central coastal area, by 4.2 percent in the Red river Delta, and by 3.5 percent in the former Zone 4. In the collective animal husbandry sector the number of hogs declined by 38 percent and the number in the state sector declined by 4 percent. The decline in hog raising was due to the following principal reasons.

First, the state pork purchasing prices are not yet rational. Resolution 41, dated 8 January 1985, of the Council of Ministers, stipulated that pork would be purchased at stable prices and in accordance with two-way contracts, on the basis of the exchange of goods. In the process of implementing it the state price organ and the localities have decided that the state purchase price was too far below the value of pork. There were few exchange goods and the negotiated price was 20 to 30 percent lower than the value of pork. Faced with that situation, the cooperatives had to set aside part of the grain produced on the "5 percent" land to serve as "price supports" for the peasants when purchasing hogs. But the amounts of such grain are not large, so it was insufficient to "support" them, which caused the hog raisers to suffer economic losses. Furthermore, the cooperatives did not have enough grain to organize collective hog raising in the two forms: raising in farms and contracting to families. Therefore, the total number of hogs in society has not increased. With regard to state hog raising, except for a few provinces such as Tien Giang and Ho Chi Minh City, nearly all of the provinces have encountered difficulties with regard to feed, so the number of hogs has declined seriously.

Second, the organization of the purchasing, circulation, and marketing of pork is not rational. Guidance has not been specific and, especially, the state purchasing form is irrational. Therefore, in a number of large cities and industrial zones, at times the price of pork has been high.

Because state purchasing has not been timely, there still exists the phenomenon of hogs not being sent to market. That phenomenon has led to three major obstacles:

Some peasant households must raise hogs weighing more than 100 kilos for a prolonged period of time (they must invest much grain for each kilo of weight gained) and economic effectiveness is low.

The hog raisers cannot sell their hogs on time, so they don't have enough money to buy pigs or feed for the hogs, which results in the number of hogs declining.

Pork is not supplied to the cadres, workers, and people in a timely manner, and the price of pork on the market increases, which affects living conditions. Thus the fact that the management mechanism is not good results in production not developing and difficulties being encountered in the people's lives. That is not to mention the serious shortage of fertilizer for intensive cultivation to increase crop yields.

In order to continue to encourage the development of animal husbandry and fulfill the norms of raising 13 million hogs and 600,000 tons of live pork in 1986, the animal husbandry sector must do a good job of applying the following measures:

The localities must balance their grain after the fifth month-spring harvest and set aside 10 to 15 percent of the total grain output, in accordance with Circular 291-TTg, dated 19 May 1978, of the premier. Between 15 and 20

percent of that feed must be invested in the cooperatives, production collectives, and cooperative members who raise sows and manage all of the pigs on the basis of selling paddy at support prices and selling additional paddy at realistic prices. Those pigs will be distributed to the cooperative members to be raised for meat, or contracted by the collectives to the cooperative members to be raised for meat, or contracted by the collectives to the cooperative members in accordance with national economic-technical norms. The provinces and districts must evenly distribute pigs within their spheres and go all-out to provide sufficient breeding stock for hog raisers at fair prices. The state breeding stock installations must do a good job of caring for and raising hogs in order to produce piglets to raise for meat in the unit or contract the cadres and workers to raise meat hogs for the state. It is necessary to expand the form of contracting out hog raising, such as in Bac Thai and Ho Chi Minh City, to boldly develop the output of breeding sows. With regard to the midlands and mountain region provinces, the ratio of sows to the total number of hogs is usually high but the ratio of live pigs is low. Therefore, it is necessary to intensify steps to protect and nurture the pigs so that they can become as self-sufficient with regard to seeding stock as possible.

The state animal husbandry units, from the central level down to the district level, must do a good job of implementing Decision 146 TTr, dated 10 May 1980, on managing all byproducts of the grain sector and in processing such foods as bran, oil cakes, grain, and poor quality food products unfit for human consumption, so that the agricultural sector can process them into animal feed. Those sources of byproducts are considerable and are scattered about everywhere, from the district rice mills to the large factories at the central level. At present, feed is not tightly managed at the various levels and many places are not in accord with the resolution, which results in many shortcomings.

According to the land and conditions of each locality, the provinces may assign to a number of state farms the primary responsibility for producing grain which the animal husbandry sector can use as animal feed, or the provinces can allow the services, state farms, stations, or farms to use their subsidiary food crops and grain for feed, apart from the quantities that must be turned over to the grain services. During the past several years Hau Giang province has set aside most of the grain produced by the Song Hau state farm to process feed for the state animal husbandry sector in the province. According to the subsidiary food crop and grain yields of each locality and the requirements of the state hog raising installations, the provinces must set aside part of their grain for use as feed for hogs, in accordance with local norms.

The agricultural sector must be allowed to use part of its nitrogenous fertilizer to invest in the areas producing subsidiary food crops, especially corn and beans. The additional products will be used as animal feed. With regard to the midlands, mountain region, central Vietnam, Central Highlands, and eastern Nam Bo provinces, where there are many subsidiary food crops, the agricultural sector may be allowed to purchase subsidiary food crops beyond the amount purchased by the grain services for use as grain, in accordance



with the principle of observing the state's unified grain management regulations.

With regard to the important food belts, and places where there are large food products requirements, such as Hanoi, Ho Chi Minh City, Quang Ninh, Hai Phong, etc., I recommend that the state transfer part of grain purchased in accordance with plans and in the form of taxes for use in local animal husbandry, in order to reduce transportation, take the initiative in providing food products, and stabilize living conditions.

The localities must set aside 10 to 15 percent of their grain output for animal husbandry, on the basis of giving priority to the production of breeding hogs and to increasing the numbers of hogs grown collectively and contracted to families. Those sources of grain and agricultural byproducts may be processed into mixed feed for hog raising at farms or contracted to cooperative members. The production installations must also tightly manage grain and not used for other purposes.

The feed used to raise hogs in the family sector is mainly provided by the peasants. The cooperatives must help the families raising hogs and organize the production of supplementary feed to supply to the hog raising families.

With regard to the veterinary work, the localities must take the initiative in inoculating the hogs at the end of the fall season, and in areas where flooding may occur steps must be taken to prevent disease. It is necessary to increase the production of medicine, set up a people's veterinary medicine network in the villages, and consolidate the district veterinary medicine in order to protect livestock. Livestock insurance must be rapidly developed.

In the circulation of pork at present, the matter of prices and the mode of buying and selling are very important. First of all, it is necessary to adjust the price of pork, for it is still irrational. When adjusting the price of pork, it is necessary to observe the principle of ensuring that producers recover their expenses and earn rational profits, in order to encourage the peasants to enthusiastically participate in livestock raising, as stipulated by the resolution of the Eighth Plenum of the Party Central Committee. On the basis of that rational price level, two purchasing forms will be employed:

Purchasing at stable prices, according to economic contracts and the exchange of goods. Most of the exchange goods are production materials (including bran and nitrogenous fertilizer), a small number of essential consumer goods, and money.

Purchasing at negotiated prices. In addition to hogs purchased in accordance with economic contracts, they may be purchased at negotiated prices, depending on the area, with guidance by the Central Committee, as stipulated by the resolution of the Eighth Plenum of the Party Central Committee.

In contrast to other products, hogs are alive throughout the raising period, so prolonging the raising is very costly. The most efficient marketing weight of commercial cross-bred hogs is 95 to 105 kilos. If the raising period is



prolonged, there will not be enough grain, but more important, at that time more feed is required to add a kilo of weight, so the feed expense per unit of added weight will be high and the efficiency of hog raising low. Therefore, state commerce and the marketing cooperatives must purchase hogs as soon as they reach market age. In places where state purchasing is not timely, private merchants should be allowed to register to deal in pork. In the spirit of Resolution 04 of the Council of Ministers, the installations and individuals raising hogs should be allowed to sell them directly to units with pork consumption needs.

The good application of the above-mentioned price mechanism and buying-selling methods will stimulate the production of hogs at present and in the future, and will contribute importantly to stabilizing price controlling prices on the social market, prevent sudden price increases, not passively pursue the free market, and create a basis on which to develop production, control sources of goods, and contribute to stabilizing living conditions.

5616

CSO: 4209/867

AGRICULTURE

VIETNAM

AGRICULTURAL CONDITIONS IN HO CHI MINH CITY AREA

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Aug 86 p 1

[Editorial: "Floods Everywhere and the 10th Month Season in Areas Outside the City"]

[Text] News of floods and drought in many places, which are creating difficulties for agricultural production, is now a source of concern of the peasants outside the city. They are concerned not only because they want to "share the farmer's worries about flooding," but also because of their responsibility to contribute, along with the entire nation, to overcoming the consequences of natural disasters. Furthermore, although agricultural production outside the city is not as difficult as in other places, it is not entirely favorable. Drought, waterlogging, alum, and salinity are still encountered, and that is not to mention bad situations that could arise because of changes in the weather.

The 10th month season plays an important role with regard to annual grain production. It is also the main rice season and accounts for more than 80 percent of the city's annual grain output. If efforts are not made to plant the full 57,000 hectares of rice and attain high yields and output, it will be difficult for us to meet the local needs, not to mention contributing to overcoming the common difficulty. Therefore, the peasants outside the city are very determined to carry out production during the 1986 10th month production season, with the requirement of bringing about a more positive transformation and a true change, and not remain at an average or slightly average level. That determination is manifested first of all by places which grow winter-spring rice, definitively and boldly change the 10th month crop structure, observe the planting schedule for each area, increase the ratio of early 10th month rice to meet requirements, resolutely carry out a plan to change growing seasons, carry out all-round intensive cultivation, and especially pay attention to high-yield rice areas. Sufficient seeds and seedlings, including reserves, must be prepared. The initiative must be taken in guarding against and eliminating insects and diseases, and preventing and fighting drought, waterlogging, alum, and salinity. With regard to fertilizer, all-out efforts must be made to fully utilize the sources of organic fertilizer, which is easy to produce and is good for the fields, rice, and subsidiary food crops.

Who knows more about working the fields than the farmers? Even so an experienced old farmer said, "A person can know a lot, but if he is conservative and refuses to change he is regarded as not knowing much." Indeed, if one is hesitant and is not determined to change the rice varieties and cultivation customs, change the 10th month crop structure, change every aspect of intensive cultivation, and create all advantageous conditions for intensive cultivation, production will be hindered, cannot meet the immediate needs, one cannot contribute positively to attaining the strategic grain goals of the region or the nation.

The goals of 57,000 hectares of rice, 2,000 hectares of subsidiary food crops, etc., for this season, demand great efforts on our part, with regard to area, yields, and output. That is not only a vital requirement for the meals of all local families but is also an urgent demand with regard to sharing the common responsibility for society as a whole. In order to accomplish that, the important matter is that the organization of implementation must be truly meticulous. Specifically, it is necessary to fully and promptly resolve difficulties regarding fertilizer, insecticides, seedlings, and the other aspects, in order to meet in a practical manner the intensive cultivation needs of the local level. The peasants outside the city are looking forward to the party congresses at all levels by meeting the seven emulation goals, the foremost goal of which is "every inch of earth is an inch of gold, promote intensive cultivation, inter-cropping, and increasing the number of growing seasons." We must endeavor to carry out those tasks and manifest them specifically during the present 10th month season, with a sense of responsibility and a strong spirit of collective mastership. The people and comrades around our city are the true warriors on the agricultural production front, and truly "bear the brunt" with the people and comrades in places which are resolutely and urgently overcoming the consequences of natural disasters, promoting production, and stabilizing living conditions.

5616

CSO: 4209/857

AGRICULTURE

VIETNAM

NHAN DAN ARTICLE ON IRRIGATION DEVELOPMENT

OW111031 Hanoi VNA in English 0720 GMT 11 Oct 86

[Text] Hanoi VNA Oct 11--"Over the past five years, the irrigation service has made considerable contributions to boosting agricultural production though the country has faced many difficulties caused by continuous natural calamities including torrential rains, floods and storms," writes Nguyen Canh Dinh, minister of water conservancy, in an article published by the daily NHAN DAN today.

The articles says:

"By the end of 1985, the irrigation network had ensured adequate supply of water for 4.5 million hectares of cultivated land, 550,000 hectares more than 1980. Of this figure, 4.4 million hectares were under rice, an increase of 520,000 hectares over 1980; and 110,000 hectares under cash and industrial crops, an increase of 30,000 hectares. The drainage system last year severed [as received] 880,000 hectares of winter rice from water-logging, 65,000 hectares more than the 1980 figure.

In the Red River where droughts and floods occurred repeatedly over the past year, irrigation works have been given due attention and care to help ensure the implementation of intensive farming in vast rice areas. Scientific and technical progress has been applied by the irrigation service to secure high rice productivity. In the Mekong River delta, small canals and ditches have been dredged to bring fresh water to crop fields to reduce the degree of acidity and salinity in water and soil. Together with the local irrigation network, ten of thousands of small pumping stations built by joint efforts of the state and people have quickly expanded the acreage under summer and winter-spring crops. Large and medium-size irrigation projects have made notable contributions to increasing food crop output in central Vietnam provinces.

Thanks to these achievements, over the past five years, Vietnam's food output has been up by 4 million tons. The irrigation works have created profound changes in rural areas, pushing up the drives for improvement and consolidation of the new socialist relations in production and the process of national redistribution of workforce and population throughout the country."

/6662

CSO: 4200/43

AGRICULTURE

VIETNAM

BRIEFS

**NORTH COTTON YIELD--**Hanoi VNA Oct 11--More than 11,000 hectares in eight northern provinces have been put under cotton in the recent crop, yielding 3,500 tons of cotton. Taking the lead in cotton growing are Son La Province (2,457 hectares), Lai Chau Province (1,731 hectares) and Ha Son Binh Province (1,310 hectares). To create more high yield varieties for cotton farms, the Nha Ho Cotton Research Centre has produced the cotton variety THW tolerant to draught, flood and plant blast. This new strain has been experimentally planted on 450 hectares in five localities. As an initial result, it has yielded one ton of cotton per hectare; in some areas, it has even harvested from 1.7-2 tons per hectare. [Text] [Hanoi VNA in English 0718 GMT 11 Oct 86 OW] /6662

**MOUNTAIN PROVINCES' OUTPUT REVIEWED--**A conference was held by the Vietnam Ministry of Agriculture to review agricultural production in northern mountainous provinces. The conference affirmed that those provinces are capable to solve food problems and have conditions to develop agriculture. The conference pointed to the tasks of these provinces in the coming years, namely to be self-sufficient in food, develop industrial plants, industry, and forestry. To attain these targets, the people in these areas have to reorganize their land, production process, and material supplies, and apply scientific and technical progress in production. [Text] [Hanoi International Service in English 1000 GMT 13 Oct 86 BK] /6662

**AGRICULTURAL ACTIVITIES REPORTED NATIONWIDE--**So far the Vietnamese people throughout the country have harvested 900,000 hectares of summer-autumn rice, one of the three main rice crops of the year. The harvested area accounts for 90 percent of the total rice acreage. Many northern provinces have begun harvesting early autumn rice while preparing for the winter crop. Meanwhile, the southern provinces have placed 1.3 million hectares under autumn rice, fulfilling 90 percent of the area plan. [Text] [Hanoi International Service in English 1000 GMT 13 Oct 86 BK] /6662

**JUTE PLANTED ON HILLY LAND--**Hanoi VNA Oct 9--Encouraging results have been obtained by farmers in Thanh Hoa, a central Vietnam province, in test-planting jute in hilly regions. More than 70 hectares of hilly land in the districts of Thach Thanh, Ngoc Lac, Tho Xuan and Trieu Son have been put under jute, an industrial plant which used to be grown in the northern plains. After three months, the plant is about two metres high and the diameter of its trunk

measures more than two centimetres. The first harvest has attained a fairly high yield. Thanks to the expansion of jute planting in hilly areas, the Quang Phu Cooperative, Tho Xuan District, plans to develop side-line occupations including the making of jute bags. More than 300 co-op members have been assigned to plant jute and practise the new handicrafts. Thanh Hoa Province is striving to expand hilly areas planted with jute to another 5,000 hectares in the next cropping season. [Text] [Hanoi VNA in English 1448 GMT 9 Oct 86 OW] /6662

CSO: 4200/43



HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

BIM SON CEMENT PLANT STRIVES TO SURPASS PRODUCTION NORM

Hanoi NHAN DAN in Vietnamese 6 Aug 86 p 1

[Article: "Bim Son Cement Plant Pledges To Surpass Production Plan Norm By 20,000 Tons of Cement"]

[Text] Competing to achieve accomplishments to celebrate the Sixth Party Congress, the cadres and workers of the Bim Son cement plant registered to overfulfill its plan norm by 20,000 tons of cement in 1986.

The plant guided the baking kiln department in drafting its own plan on a trial basis. The department drafted a plan to alternate the operation of the two kilns and set up a schedule for their operation until the end of the year. On the basis of the schedule for the operation of the kilns, the plant estimated electricity needs so that Electric Power Corporation No 1 could coordinate and help the plant by providing sufficient electricity to meet requirements. In July the baking kiln department did a good job of maintaining the kiln operation schedule and produced 60,607 tons of clinkers. One day 3,300 tons were produced, the greatest amount since the two production lines were brought into operation. In order to fulfill the production mission, the key cadres of the departments took turns working each shift and did a good job of controlling and managing the work. In July the plant produced 51,415 tons of bulk cement, 40,000 tons of which were marketed.

In order to economize in the use of coal to operate the kilns, the plant increased the addition of additives to bulk cement and positively perfected the application of technical advances in using additives to prevent water absorption on the bagged cement production line in order to increase additives in bagged cement. The plant and a group of Soviet specialists are concentrating on increasing the department's bagging capacity to attain higher productivity and meet in a timely manner the requirements of transporting and marketing cement.

5616  
CSO: 4209/867

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

BETTER MANAGEMENT OF LOCAL CONSTRUCTION MATERIALS URGED

Hanoi NHAN DAN in Vietnamese 6 Aug 86 pp 1, 4

[Editorial: "Manage the Local Production of Construction Materials"]

[Text] Our country has great potential with regard to the production of construction materials. There are rather rich resources of labor and skilled workers for producing construction materials and they exist everywhere. By means of simple techniques the localities have produced and exploited considerable quantities of bricks, tile, rock, sand, cement, etc. In 1985 the nation produced about 2.7 billion bricks and 7.2 million cubic meters of rock, of which manual labor accounted for 1.7 billion bricks and 2.7 billion cubic meters of rock of all kinds. There are 53 small-scale cement production installations which produce more than 200,000 tons. A number of small cement production installations of the localities and sectors have positively changed their techniques, produced white cement, and fulfilled requirements for producing ornamental bricks for use in housing construction or in improving the quality of construction projects.

There are many deficiencies in organizing the production, management, and use of local construction materials. Collective and private brick kilns and tile kilns have sprung up haphazardly and spontaneously, which has led to the situation of more and more cultivated land being encroached upon or destroyed. Some villages have set up 70 to 80 brick kilns, which has caused the loss of nearly all of their rice land. A rather large quantity of state coal has been stolen and used at the brick kilns. Many local brick kilns and tile kilns are supplied coal by the state in accordance with plans and economic contracts, but do not deliver products to the state. At many local cement production installations product quality is unstable and economic effectiveness is low. rock is still exploited wastefully and arbitrarily, and some places well-known scenic areas have been transgressed upon.

It is necessary to develop the production of local construction materials, but they must be produced according to plan, high productivity, quality, and economic effectiveness must be attained, and cultivated land, scenic sites, and environmental sanitation must not be violated. A high price will have to be paid by the local economy for shortsightedness and seeking quick profits. The state, local, and collective brick and tile production installations are responsible for utilizing the full design capacities and fully and rationally

using natural resources, fulfilling economic contracts, and delivering the full amount of construction materials to the state. All construction materials production installations must operate in accordance with a common plan, must register to engage in commerce, accept the management and control of the governmental administration and the functional organs with regard to exploiting earth and rock and the production of products, and contribute to stopping all instances of collusion or the thievery of state fuel. There are still many sources of non-baked construction materials such as cinder blocks, laterite bricks, etc., in the localities which must be developed.

Attention must be paid to managing closely the production and distribution of local construction materials. In addition to fulfilling their obligations to deliver construction materials to the central echelon, the localities must do a good job of managing construction materials to supplement funds of commodities to exchange with the peasants for agricultural products, and contribute to building a new countryside and stabilizing the prices of construction materials in the localities.

5616

CSO: 4209/867

HEAVY INDUSTRY AND CONSTRUCTION

VIETNAM

BRIEFS

**OIL-GAS PIER**--Since the beginning of 1986, because of many difficulties and upheavals with regard to capital, materials and raw materials, Bridge 61 Enterprise has had to temporarily suspend the construction of many projects assigned to it by the 1986 plan, in order to concentrate on its key project, the Vung Tau oil-gas service pier. However, even in that project, side A could only borrow about 17 percent of the basic materials. The enterprise made efforts to borrow them and make three-party arrangements to obtain sufficient materials to serve the construction of the key project. The enterprise completed before the deadline and turned over a pier to receive oil at Nha Be, accelerated the driving of piles, began work on the construction of a pier to export produce for the foreign trade sector at Nha Be (part of Plan B), and created sources of materials and raw materials to drive steel panel piles and concrete piles, and pour concrete to construct the wharf of the Vung Tau oil- and -gas service port. In July 1986, because it positively took the initiative in obtaining materials and raw materials, and rationally deployed equipment and workers, the enterprise attained a production value of more than 7.9 million dong, the highest since the beginning of 1986. In August the enterprise is capable of attaining even greater output. [Article by "T.T.A." Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Aug 86 p 1] 5616

**OIL TANKER, PLATFORM MODELS**--The Planning and Design Institute recently built a "Crude Oil Exploitation and Transportation" model on order from the Viet-Coviet Joint Oil-Gas Enterprise so that it can be displayed at the national economic accomplishments exhibition in Hanoi to celebrate the coming party congress. The model is a scale model of a CRUM crude oil tanker and a gigantic oil drilling platform (the ship is 250 meters long and the platform is 170 meters tall), which are operating on the continental shelf of Vietnam. The model platform is 70 centimeters tall and the ship is 1.10 meters long, and are made of wood, cardboard, thin sheet metal, and plaster. In the model, the parts of the drilling platform and the hull of the CRUM ship that are submerged below water are clearly visible. The entire model is encased in glass and is operated electronically. [Article by Thu Binh] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Aug 86 pp 1, 4] 5616

**HYDROELECTRIC POWER STATIONS**--Hanoi VNA Oct 9--Over the past five years, 200 small and medium sized hydroelectric power stations have been built and commissioned in Vietnam's mountainous regions thanks to the better use of home-made hydraulic turbines assembled with imported diesel generators whose engines were out of order. Many small hydroelectric power stations in the northern border areas were destroyed by Chinese aggressors during their war of aggression against Vietnam in February 1979. To repair these stations, the electric equipment company under the Ministry of Electricity in coordination with engineering enterprises has produced hydraulic turbines of various sizes whose capacities vary from 100 to 2,000 kw. The total designed capacity of these power stations is 12,404 kw with an annual output of 43 billion kwh. [Text] [Hanoi VNA in English 0705 GMT 10 Oct 86 OW] /6662

HEALTH, EDUCATION, AND WELFARE

VIETNAM

PRESS CRITICIZED FOR INEFFECTIVENESS

Hanoi DAI DOAN KET in Vietnamese 2 Jul 86 pp 4, 7

[Article by Thai Duy: "Whom Does the Press Serve?"; Part II; Part I of this Article Published in JPRS SEA-86-180, 3 October 1986, pp 91-94]

[Text] (Continued from a previous issue)

2. "Trails" in the newspaper profession--Following the last lunar new year holiday, I visited a leader in propaganda and training work. I presented him the anxieties of a number of newspapermen over the situation of our press never accepting the improvements called for by upper echelons; for example, there are some papers still reflecting many ceremonial activities, welcomes, send offs, and formal visits in an excessively and minutely detailed fashion with news, articles and even photographs failing to carry the capacity of information required by the reader. He replied, "The Secretariat has issued directives to news agencies and the press reiterating that they should not publish news and articles on ceremonies and formal affairs except for cases involving foreign relations, and within the country when necessary to renew or present news and articles on leaders visiting this or that location. A number of newspapers have still not strictly complied and still like to report on formal and dignified events in many news articles with the repetitious presentation of many names and official ranks. I will continue to remind the newspapers of this problem. Readers and radio listeners don't have the time to follow useless articles and news that also waste paper and ink."

Recalling recent trips he had made down to the villages, he said, "I had heard that the Mekong River Delta was rich, with fertile fields where the heron flies and plays, but in a car racing down Route 4, it is truly difficult to understand how the people of Nam Bo live. However, leaving Route 4 and traveling deep into the rural area, there are still a number of poor people with great difficulties in food and lodging, not gamblers and alcoholics but people who work night and day and still don't have enough to eat. Only by going can you see what I say is true."

I replied, "A member of NHAN DAN and I traveled together through several provinces in the regions of Nam Dan, Ca Mau, Dong Thap Muoi, Hau Giang, Long Nai, etc. It is true that a number of Nam Bo farmers are still poor; some families are extremely poor with only small thatched huts for homes. That the Nam Bo farmer is giving attention only to food and not to a place to live is entirely incorrect; in every location there is a desire for cement, lumber and iron to build houses but everything is too expensive and no one can build."



He suggested that I should write without concealment about the continuing privation of the people; when we affirm our great accomplishments in the press, it does not mean that we should not speak of the substandard aspects. I agreed but did not have the occasion to inform him of the difficulties restricting many newspaper writers from doing as he desired. Many correspondents have maintained close contact with the basic level to straightforwardly reflect the lives of the people but their articles are not used or they are forced to revise them and finally articles still about poverty and prices remain sitting in the editor's office while the few reports sent in by local areas are accepted. Not a few correspondents comfort themselves by traveling the "trail," meaning to realistically and honestly reflect in moderation only, because by reporting what actually is good or bad, outstanding or substandard, and occasionally writing about negative aspects, one can easily be misjudged. An extremely irrational truth in our newspaper profession is that: there are still a number of newspaper leaders and managers who rarely travel down to the basic level and are separated from reality but still decide the fate of articles, criticism does not hit the mark and usually follows their subjectivism and therefore, the evaluation of cadres writing for the paper is inaccurate and good men are easily thought of as bad.

Our press also has the shortcoming of still liking the "trail." Upon attending a conference or congress, the article title assuredly relates the "splendid success" or "fine achievement." There is nothing said when touching upon weaknesses about the need for first displaying the objective difficulties before finally reaching those caused by subjectivism which are extremely few.

The "trail" suffocates the creative and inquisitive nature of the newspaper writer but is also appealing because in reality, it facilitates peace of mind, praise as stable and prudent, and advancement in wages and position. A number of newspaper writers, including those from a number of newspapers that delve into the difficult and burning problems of life, who use the widespread readership as a service target and seek every means to avoid the "trail" are occasionally misunderstood and misjudged. It has also become common in press and information agencies for those entering the newspaper profession to bow down and dedicate themselves to following the trail in order to enjoy much greater material interests than those true newspaper writers toiling about in the trade who only thirst for writing, taking still pictures and movies, etc., to maintain close contact with multifaceted and complex life for a spiritual product bearing some breath of that life.

### 3. Still turning the back on a number of problems of concern to the readers.

Our press is a support of the laboring people at the basic level in their struggle to eliminate the old and outmoded mechanism, most prominent of which are the newspapers and radio who stood up for product contracting in agriculture as affirmed by the investigative news reports and notes of correspondents seeking on-the-spot understanding of the persuasive results of new contracts. The newspapers and radio have continuously concentrated on introducing those provinces, districts and cooperatives that have completely shifted their agricultural production cooperatives to product contractings and are also drawing



all classes of the people to stand up for the new working procedures. The Ministry of Agriculture has presented awards to a number of news, press and radio agencies for assisting to both actively propagandize and stimulate and educate and guide the collective farmers in properly achieving new contracts and avoiding a situation of nonspecific contracts. If product contracting in agriculture along with Directive 100 are considered a breach in the fortress of bureaucratism and state subordination opening a new course and work procedure for other sectors, our press is extremely proud of firmly coordinating with the agricultural sector to mobilize every medium, including documentary films and movies, to create a new bursting strength in agricultural production.

The Thanh Cong Textile Mill (in Ho Chi Minh City) is a standard-bearer in the movement to untangle difficulties, seek out a new mechanism in the industrial sector, and assist in leading industrial production out of the situation of decline which reached an alarming level in 1960. The newspapers and radio have widely introduced and defended the example of Thanh Cong in which, while the mill still had an agency that loved the old work procedures, apprehended and blamed the mill board of directors and party committee for following the ways of capitalism.

In the struggle to assert that the work procedures of Mrs. Ba Thi were correct, both competently serving the lives of the laboring people and effectively restricting the dishonest merchants monopolizing the rice market, the press in Ho Chi Minh City as well as at the central level reflected the public opinion of all levels of the people praising the grain corporation of Mrs. Ba Thi, and presented much proof for recognizing that this new method of work could be expanded to many other localities.

The achievements above are recalled to recognize that the press, when dynamically and sensitively maintaining close contact with life, is always a motive force strongly promoting production but unfortunately, our press still handles other burning problems of great concern to many people for many years, for example the negativism in every aspect of life which is not only not restricted but has a tendency of developing each year.

The press is a sharp weapon but in the struggle against negative occurrences, it is clear that every form of the press has not been used at the proper level. The press is also too mild, at times nearly like an immobile force that sends out troops but dares only to clash with too small negative occurrences, and does not dare to attack the blockhouses that dishonest merchants on the outside and deviants on the inside of state agencies are defending to the death in order to engage in illegal activities. The press publishes many achievements, so why is the standard of living of the people and cadres still gradually declining and prices escalating? An initial glance indicates the extreme irrationality but a deep search for understanding shows that the truth has nothing difficult to understand. Our production in many aspects is still developing but the profits realized and the money made result in a "small income but a big outlay." A locality producing export goods increased its foreign exchange receipts by eight or nine times over the previous year but the income of the laborer producing the goods was still only temporarily enough to eat, and while the state budget failed to receive much, several intermediate agencies engaged in the production, marketing, export and import of foreign goods, took advantage to pilfer and extort state money and goods to divide among themselves and

become rich. The extremely contrary, strange and initially exaggerated views of wealth and poverty during the past few years have distorted public opinion with individuals playing and dining with inextricable food and money to build homes and buy cars while the legitimate laborers still had difficulty in finding rice and vegetables. The people and cadres are extremely distressed over the extravagant lives far separated from the laboring people of those who have enriched themselves dishonestly, including a number of opportunistic cadres with position and power who wear many colors but are observed by the press as fairly quiet with some negativisms but apparently not to any appreciable extent. The press, originally a sharp weapon, has been almost paralyzed by the blatant and overhearing activities of the unsavory and deviant groups.

Luckily, the press has entered the recent criticism and self-criticism movement with a series of articles reflecting the results of struggles in party and administrative leadership agencies in districts, provinces and a number of sectors of the central government. Clearly, although only an initial step, the appearance of the press has been partially sharpened and the readers recognize a greater need for the press and daily read newspapers or listen to the radio to follow the burning question that everyone is concerned about: to what extent has the struggle against every negative occurrence progressed? This is an extremely vital problem to everyone because if negative occurrences, especially theft and bribery, are not gradually restricted, and if the exploitation form of the opportunists hidden inside to create all kinds of difficulties are not exposed, no matter how far production develops, nothing can be said about improving living conditions and nearly all the wealth will enter the purses of the thieves and connivers.

Many newspaper readers were both happy and concerned when the press participated in a long-term and persistent struggle against negativism in which, once it began, the press worked intensely for a time and then with everything in order, like throwing away the drumstick after beating the drum, the unsavory and deviant groups reared their heads and each time they regained consciousness and escaped, their illicit activities became more fierce than before and those who had criticized and struggled against them became their victims. The need of the readers, laborers with their hands and brains, with the press to be their long-term support, to protect them, to straightforwardly reflect their lives in every aspect, and to truly listen to the suggestions they contribute without fear of being "pursued," daring to struggle against and expose the faces of deviants and degenerates no matter what agency they are in or what position they hold.

In a letter to the Huynh Thuc Khanh newspaper writer cadre class in the Viet Bac military zone in 1949, President Ho wrote, "The objective of a newspaper is the majority of the people and any newspaper without a majority of cadres does not deserve to be a newspaper."

7700

ISS: 4300/25

SCIENCE AND TECHNOLOGY

VIETNAM

CHEMISTRY INSTITUTE SAID TO UTILIZE FULL CAPACITY

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Jul 86 p 3

[Article by Dr. Tran Manh Tri, Deputy Director of Chemistry Institute 2:  
"Chemistry Institute 2 Utilizes Full Capacity in Scientific Research and  
Application"]

[Text] With regard to facilities for producing chemicals, the southern provinces have many more advantages than the other regions of our nation. Most important is their advantage with regard to sources of raw materials, especially natural resources for producing the various kinds of fatty oils (coconut oil, castor oil, soybean oil, etc.), the various kinds of essential oils (terpentine, citronella oil, aloe oil, etc.), natural rubber, and alcohol made from waste products or secondary products in the production of sugar and starch. The discovery of oil-bearing areas in the continental shelf of South Vietnam provides capability to advance to the production of crude oil in the near future, which will enable Ho Chi Minh City and the southern provinces to have many advantages with regard to raw materials for the production of chemicals. The other sources of inorganic raw materials not far from Ho Chi Minh City are significant not only with regard to reserves, such as the bauxite deposits in Lam Dong and Ban Loc, but also with regard to high quality, such as Cam Ranh sand and Ca Na sea salt.

Some of those natural resources are truly valuable in developing chemical production of the city and the region. However, they have not yet been studied and used in a manner corresponding to their value and strength. Therefore, since it was founded Chemistry Institute No 2 in Ho Chi Minh City has concentrated on researching and applying scientific advances in our country and abroad to affect those rich natural resources and contribute to resolving difficulties regarding raw materials for the production of chemicals, the creation of new products, and new techniques which bring about high economic effectiveness and improve product quality.

Many research projects of the Chemistry Institute have already been brought into production. When a way was found to manufacture ink rollers from castor oil which attained very high quality with regard to durability, evenness of flow, hardness, and ability to withstand chemical solutions and temperature. The chronic difficulties regarding broken ink rollers were regarded as having been resolved. Materials Corporation No 2 of the printing sector received the

results of that research, produced on a large scale, and supplied the print shops in the city. The project was also awarded a prize in the Youth Creativity Competition in 1984.

The researching and application of castor oil to manufacture raw materials in the synthesizing of spices, combined with the use and processing of natural essential oils, created rich sources of spices and recently have gone a long way toward resolving the shortage of spices for the installations producing soft drinks, liquors, and cosmetics in the city. Ho Chi Minh City produces and consumes the most cosmetics and laundry soap in the nation, but must import the main raw materials for producing toothpaste, shampoo, laundry detergent, soap powder, etc. Meanwhile, there are very rich and rather inexpensive resources of coconut oil. The Chemistry Institute's studies during the past 3 years to manufacture emulsifiers with characteristics nearly equal to or identical with those that are imported, thus creating the capability to take the initiative in developing the production of beauty care products and soap not only for Ho Chi Minh City but also for many southern provinces. The Chemical Institute for the first time introduced completely new technology to treat telephone cable connectors by using materials it produced to encase and close off the cable splices, thus helping the Municipal Posts and Telecommunications Service halt the serious deterioration of the telephone cable network in the city, restore more than 5,000 telephones that had been broken for a long time, and add 1,000 new telephones.

The above are only some of the research projects that have been and are being carried out by the Chemistry Institute. The recent national conference on catalysts organized by the Chemistry Institute further confirmed the Institute's leading role in studying catalysts and serving the chemical industry in general and the oil-and-gas industry specifically. In general, the basic research potential and the capabilities for applied research and the organization of implementation of the Chemistry Institute's corps of cadres are still great and have not yet been fully exploited.

Many applied research projects of significance in serving the city are still not known by the basic units, so they cannot take advantage of them by using them in production. Although many research projects which concentrate on the specific natural resources of the southern provinces and practical goals, as mentioned above, have provided good results and have practical significance, they are still confined to the laboratories and cannot be evaluated by being used in production on a trial basis before being introduced to large-scale production. The principal reason is the lack of necessary funds and appropriate support the city and the production installations, which are still reluctant to invest in applied research and development. In addition, the Chemistry Institute very much needs to build a number of small-scale experimental installations to perfect new technology, but has no land on which to set up pilot plants.

Recently, thanks to the strengthening of relations between the Chemistry Institute and the city, as well as the southern provinces, the Chemistry Institute has received from the city many specific, highly scientific orders, such as the requirement of researching strategic raw materials to develop the chemical industry in Ho Chi Minh City until the year 2000; the requirement of



researching capabilities to use crude oil in the present phase and until the year 2000, to serve the development of production in the city; the requirement of improving the quality of export leather goods produced by Binh Thanh Precinct, so that those products can withstand dry and cold weather; the requirement of researching new protective materials and the use of electrical measures to fight corrosion at the Bien Hoa and Thien Huong MSG production enterprises; the requirement of treating thousands of meters of telephone cables of the Municipal Posts and Telecommunications which have not been used because they were ruined by being emerged in water; manufacturing various kinds of plywood glue for Precinct 3 and Song Be; the requirement of developing the use of waterproof paint for large water tanks of the Municipal Water Corporation, etc.

The natural resources potential of the southern part of our country vis-a-vis the production of chemicals is very rich and varied, but the research potential of the Chemistry Institute and its ability to problems of basic and applied research has not been fully utilized, at a time when many urgent problems are being posed with regard to raw materials to replace imported raw materials, to advanced technology to economize on fuel and materials, and to new, high-quality products in the chemical production sectors of the city and the southern provinces. Only by close cooperation between the city's production installations and research organs, and the resolving of problems in the structure of, and policy of investing in, applied research and development can we rapidly bring about the harmonious development of science and production and resolve many of the present obstacles.

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SCIENCE AND TECHNOLOGY

VIETNAM

BRIEFS

INFORMATICS CONFERENCE--"Informatics--the science of processing information by electronic computers to assist management" was the topic of a conference held by the Municipal Scientific-Technical Commission between 4 and 8 August 1986. The conference was attended by many informatics researchers, teachers, and workers in the city. More than 30 reports and speeches during the conference dealt with matters worthy of concern with regard to the development and application of informatics in our country and abroad, the results attained in applying informatics to management, the effects of informatics on society and production, the developmental direction of informatics in the city, etc. In order to keep abreast of the advances in informatics in the world today, the participants in the conference also stressed the necessity of having a plan to train young people in informatics, and recommended that informatics be made a field of study in the schools. [Article by "Th. B."] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 10 Aug 86 p 1] 5616

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